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## Near East/South Asia Report

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2 April 1986

## NEAR EAST/SOUTH ASIA REPORT

## CONTENTS

## ARAB AFRICA

## EGYPT

Developments in Corruption Cases (THE EGYPTIAN GAZETTE, 14 Feb 86) .....	1
National Identity Card System (THE EGYPTIAN GAZETTE, 25 Feb 86) .....	2
Legal Scholar Discusses Taba Arbitration (Mufid Shihab; AL-AHRAM, 6 Feb 86) .....	4
Kaolin Deposits Discovered on El-Teh Plateau (THE EGYPTIAN GAZETTE, 16 Feb 86) .....	9
 Briefs	
Minia-Assuit Road Planned	10
Pact With Yugoslavia	10

## MOROCCO

Public Transportation Price Increase (L'OPINION, 4 Jan 86) .....	11
---	----

## TUNISIA

Possible Budget Revision Seen as Oil Price Falls (MIDDLE EAST ECONOMIC DIGEST, 22 Feb 86) .....	13
 Briefs	
Trade Talks With Poland	14

## ARAB EAST/ISRAEL

### ISRAEL

Results of Talks With Egypt Summarized (YEDI'OT AHARONOT, 14 Feb 86) .....	15
Announcement of Formation of New Center Party Expected (Ilan Shehori; HA'ARETZ, 12 Jan 86) .....	17
Sharon Gaining Strength Within Herut Party (Ari'el Sharon Interview; YEDI'OT AHARONOT, 14 Feb 86) ..	18
Trade Deficit Increases 152 Percent (Shlomo Ma'oz; HA'ARETZ, 10 Jan 86) .....	25
Groundwater Reserves Becoming Depleted (Eli El'ad; HA'ARETZ, 10 Jan 86) .....	26
Air-Ground Liaison in IDF (Ari'el Guler; BITA'ON HEYL HA'AVIR, Jan 86) .....	27

### LEBANON

Hizballah Appeals for Joint Action Against Israel (AL-'AHD, 20 Feb 86) .....	32
---	----

### UNITED ARAB EMIRATES

Trade With Bulgaria Increasing (KHALEEJ TIMES, 7 Mar 86) .....	33
---	----

### PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

Situation Seen Still Unstable (Wolfgang Koehler; FRANKFURTER ALLGEMEINE, 25 Feb 86) ....	34
Role of Al-'Attas in Aden Coup Analyzed (AL-TADAMUN, 1-7 Feb 86) .....	38
Aden's Embassy in UAE Accused of Espionage (AL-WAHDAH, 15 Dec 85) .....	42

### YEMEN ARAB REPUBLIC

Muhammad Salih Extolled for Improving Security Services ('Ali Ya'qub; AL-RA'Y AL-'AMM, 9 Dec 85) .....	43
President Stresses Vital Role of Military Schools (AL-RA'Y AL-'AMM, 23 Dec 85) .....	45

SOUTH ASIA

AFGHANISTAN

- Jalallabad Irrigation Complex 'Essential' to Economy  
(HAQIQAT-E ENQELAB-E SAWR, 19 Dec 85) ..... 47

BANGLADESH

- Papers Exchanged on Japanese Grant for Debt Relief  
(THE NEW NATION, 25 Feb 86) ..... 52
- Consultative Committee Reviews Import Operations  
(THE BANGLADESH OBSERVER, 27 Feb 86) ..... 53
- Text of Ershad Message to New Philippines President  
(THE BANGLADESH OBSERVER, 27 Feb 86) ..... 54
- Departing Ambassador Meets With Algerian President  
(THE BANGLADESH OBSERVER, 27 Feb 86) ..... 55
- Briefs ..... 56

Minister's House Stoned

IRAN

- Article Details Situation of Women  
(HAQIQAT-E ENQELAB-E SAWR, 4 Jan 86) ..... 57
- New Guide for Identification of Landlords of Previous Regime  
(KEYHAN, 31 Jan 86) ..... 60
- Minister Announces New Policies on Industry Growth  
(KEYHAN, 8 Jan 86) ..... 64
- Volume of Trade With Japan Increasing  
(KEYHAN, 13 Jan 86) ..... 74
- Cultural, Economic Cooperation With India Expanding  
(KEYHAN, 14 Jan 86) ..... 75

EGYPT

DEVELOPMENTS IN CORRUPTION CASES

Cairo THE EGYPTIAN GAZETTE in English 14 Feb 86 p 3

[Text] The General Prosecutor, Mr Mohammed Abdul Aziz El-Gendi, yesterday issued a decree impounding the property of the former Minister of Economy, Dr Mustafa El-Said; the former Under-Secretary of the Ministry of Economy, Mr Refaat El-Beshir; the former expert at the Ministry, Mr Abdul Khalek El-Mahgoubk their wives and their under-age children.

Mr El-Gendi also issued another decree banning Dr El-Said from traveling till the end of the investigations being carried out by the general prosecution concerning return of the money confiscated from foreign currency dealers.

Meanwhile, Mr El-Gendi issued a decree to hold in detention on 12 counts, and on arresting 10 other senior officials in the Ministry of Industry. The Public Funds Prosecution is currently investigating the verdicts on charges of bribery and deliberate misuse of public funds, during the implementation of the establishment of the paper plant in Koss, Qena governorate.

At a press conference held yesterday, Mr El-Gendi said that the Public Funds Prosecution discovered fraudulent action in the assignment of constructing the factory.

The General Prosecutor added that four German, Japanese, Canadian, and French companies submitted offers to establishing this project. The Committee assigned to study the offers rejected the Canadian and French tenders.

He also said that the German company offered, through its German and Egyptian agents in Egypt, the equivalent of LE 5.5 million in German Marks as a bribe, to the committee members responsible for the implementation of the project.

He further said that the agent of the German company was seized in one of Cairo's hotels while he was discussing with the committee members how to divide the bribe among them.

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2 April 1986

EGYPT

## NATIONAL IDENTITY CARD SYSTEM

Cairo THE EGYPTIAN GAZETTE in English 25 Feb 86 p 2

[Text] The implementation of the national code number system will be launched, starting March 15, according to the Director of the Civil Status Administration Mr Michael Selim Saad. He pointed out that specialised technical committees have been formed to evaluate international offers submitted in this respect. Moreover, committees comprising of economists and university professors were also assigned to evaluate the offers from the financial point of view.

In a statement to the Middle East News Agency, Mr Saad said it is expected that the committees will announce the chosen offer early in March after which a new law will be drafted to complement the implementation of the suggested code number system.

He explained that the Cabinet, the Higher Council for Policies, and Mr Ahmed Rushdi, the Minister of the Interior have approved the project. According to this project, he said, each citizen will be allotted a national number which will be included in new identity cards which are difficult to forge.

The number given to each citizens, will therefore serve as a clue to the information of its holder.

Mr Saad pointed out that close cooperation on the scheme will obtain between the Ministry of the Interior, the Civil Status Administration and the Central Agency for Mobilisation and Statistics in this respect.

The new identify card will be issued by means of a computer in order to avert attempts at forgery.

The code number project, said Mr Saad has several advantages, since the citizens will include his number in all official dealings and his information will be registered under the same number, which will be of considerable help to such bodies as the Recruitment Administration, taxes and social insurance administrations. Such a system will enable government bodies to undertake their jobs with more efficiency and accuracy.

Mr Saad, further stated that a committee of experts conducted studies on a large scale within and outside Egypt to make use of the expertise of foreign countries which preceded us in adopting this system such as Sweden, deemed to be a pioneer country in this respect. For this reason the assistance of Swedish experts has been sought, explained the senior official.

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CSO: 4500/93

EGYPT

LEGAL SCHOLAR DISCUSSES TABA ARBITRATION

Cairo AL-AHRAM in Arabic 6 Feb 86 p 6

[Article by Dr Mufid Shihab: "Taba: Arbitration and Bilateral Relations; Israel Did Not Offer Concessions by Accepting Arbitration; It Agreed To Abide by 1979 Treaty"]

Upon completing its withdrawal from Egyptian territory, Israel disputed the claim that Taba is a part of Egypt, considering it a "contested area." It also stirred up disputes over 15 other border points of lesser importance than Taba, thus extracting from Egypt the 25 April 1982 agreement concerning temporary measures for settling border issues. This agreement stipulated that final decisions related to the demarcation of contested borders must be made in accordance with the provisions of Article VII of the peace treaty concluded between the two countries on 26 March 1979, which states that disputes over the implementation or interpretation of this treaty must be settled through negotiations and, "failing that, such disputes shall be settled by conciliation or arbitration."

Realizing the kind of obstacle a persistent border problem can place in the way of the peace process between Egypt and Israel and its realization, the Israeli government recently announced its decision to accept arbitration as a means of settling the dispute over who has the right to Taba, following more than 3 years of arguments and procrastination that aroused the indignation of the Egyptian people and indeed raised many questions about Israel's seriousness in abiding by the commitments it made in the 1979 treaty and the 1982 accord.

We would like to point out at the outset that the Israeli government did not offer any concessions when it announced its acceptance of arbitration on the Taba question. It only agreed to honor a commitment it made in the heart of the 1979 treaty. Hence, it did not offer anything new in this regard.

Moreover, when Egypt offered in return to turn to arbitration and insisted on employing it in seeking a court ruling that would once again prove to the world and Israel its legal claim to Taba, it did not offer anything new but was merely implementing the terms of the treaty.

The established fact on which all Egyptians of various political orientations or party status can agree is that Taba is Egyptian by historical and legal right, as established by various documents, agreements, and maps showing Egypt's international borders. Indeed, Israel's position in the 1949 truce agreement and its conduct in 1957, when it withdrew from Sinai, including the Taba area, offers conclusive proof of Israel's conviction that Taba is Egyptian!

Taba's Egyptian character prompts all Egyptians to rally around the need to regain it by all possible means, depending on the circumstances. This means put forth at this time is arbitration, which is expected to get underway soon.

Although this means has won the approval of both parties to the conflict in observation of the terms and provisions of the 1979 peace treaty, some people have expressed their apprehension about using this means and their belief that arbitration must not deal with matters related to sovereignty over the land, such as border issues.

On the other hand, linking Israel's announcement of its acceptance of arbitration to specific conditions dealing with bilateral relations between it and Egypt raised several questions about the legality of such a link and whether the 14 articles announced by Israel are part of an overall deal linking acceptance of arbitration issues related to relations between the two countries.

#### Arbitration in Border Issues

It is an undisputed fact in modern international law that the criterion by which the "arbitrability" of any dispute is measured is the "legality" of the dispute in the sense that it must be solvable in accordance with the rules of positive international law: "international agreements—customary law—general principles of law." Such disputes naturally include international border disputes and, therefore, the only ones that can be excluded from the group of arbitrable disputes are those differences that cannot be settled under the rules of international law, better known in jurisprudence as "political differences."

An opinion had emerged in the past citing the impermissibility of arbitration in matters related to the country's basic rights dealing with its existence, independence, and borders, as prescribed by internal law that forbids individuals from concluding agreements among themselves in violation of the provisions of the law, in particular those that touch their lives and personal status. However, this opinion was flawed and the object of criticism because it was based on a confusion between the nature of the role laws play in internal communities and the role of international law in the international community. Individual relations are governed by contracts concluded by individuals of their own volition, in addition to prescribed laws, and contracts must not be in violation of the law, while countries only honor—as a general principle—agreements they accept of their own volition, for there is no international legislative authority higher than the countries themselves to impose its laws on them.

A review of international practice reveals scores of cases of border disputes between countries that have been settled through arbitration. We mention, as an example, the disputes between Honduras and Nicaragua (1984), Great Britain and the United States (1903), Mexico and the United States (1911), Great Britain and Saudi Arabia (1954), India and Pakistan (1965), and Argentina and Chile (1971).

Accordingly, referring the Taba question to arbitration to be decided in accordance with international law provisions does not detract from Egyptian sovereignty and is in keeping with international practice.

#### Linking Acceptance of Arbitration to Bilateral Issues

Israel's action of linking its acceptance of arbitration to other conditions related to bilateral relations between it and Egypt is impermissible. Without a discussion of the 14 articles announced by Israel, the process of linkage in itself represents in reality a breach of the obligation to honor the commitment in good faith, an obligation which means in practice that Israel must immediately engage in negotiations limited to the discussion of executive steps for arbitration with a view to reaching an agreement in this regard. As for bilateral relations from the standpoint of their nature, level, and scope, they are separate matters subject to personal, economic, political, and cultural considerations of each party and controlled by each party's circumstances and assessments. It is an accepted fact in international law, for example, that diplomatic relations and the exchange of ambassadors or lower-level representatives are a matter of mutual consent and countries have an obligation to set up diplomatic relations at any level (Article II of the 1961 Vienna agreement concerning diplomatic relations). Furthermore, controversial issues concerning the normalization of economic, trade, and cultural relations are settled through special negotiations governed by circumstances and considerations other than those that are at work in the Taba arbitration issue.

Accordingly, we believe that talk about an overall deal combining arbitration and bilateral relations is unacceptable from a legal point of view.

Moreover, bilateral issues being raised by Israel nowadays may be blamed on Israel's conduct and practices, toward the Lebanese and Palestinian peoples in particular, on its attitude toward the Palestinian cause and the Palestinian people's right to self-determination, and on its repeated aggression against Lebanon and citizens of the occupied territory, thus promoting Egypt to withdraw its ambassador from Israel and take a stand on normalization issues.

Israel has not done anything so far to remove or even mitigate these causes. Rather, it has persisted in its practices of coercion, usurpation, sacrilege against holy places, and violation of international resolutions. If Israel is serious about its call for peace, it must demonstrate by practical conduct how serious this call is.

## Arbitration and Conciliation

Arbitration is a means of settling disputes in an effort to establish the authority of the law instead of the sovereignty of force. It is not a newfangled means for settling conflicts, for interest in this kind of method goes back a long way to the days of the Greek and Roman empires and the Middle Ages. Moreover, it has been turned in our days into a common and widely used tool in a large number of international agreements concluded after the establishment of the United Nations. And whereas arbitration is usually preceded by other means for ending disputes such as negotiations, it is considered the last means for settling textual differences which diplomatic means often fail to settle.

Arbitration, as outlined in Article 37 of the 1907 Hague Agreement concerning the peaceful settlement of international disputes, is tantamount to settling disputes between nations through judges of their own choosing in accordance with the law. The judgment of a court of arbitration is final and binding on the parties to the dispute just like any other judgment handed down by any permanent judicial body (the International Court of Justice).

Therefore, arbitration between nations is not a diplomatic means similar to good offices, mediation, or conciliation but rather is a kind of legal settlement.

However, arbitration is very different from conciliation, in that conciliation is an agreement between conflicting parties to turn to a special select committee whose task is to bring viewpoints closer together and propose compromises based on political, economic, legal, and other considerations. Conciliation committee proposals are nothing but recommendations or views about what constitutes an appropriate settlement.

Hence the difference between conciliation and arbitration is that arbitration is based on the law alone, while conciliation takes into account a number of considerations, of which the law is one. Moreover, arbitration decisions are final and binding while those issued by a conciliation committee are mere recommendations that may or may not be accepted by the parties concerned.

Perhaps this intrinsic difference between conciliation and arbitration is what prompted Egypt to demand arbitration in the Taba question, in the wake of the failure of negotiations that lasted over 3 years, and refused conciliation because the conflict, by its very nature, is not receptive to compromises inherent in conciliation. It is a dispute governed only by law (international treaties, historical documents, geographic maps, etc.) and any attempt to reach a settlement through conciliation is actually a waste of time because it is difficult for such a method to reach a solution acceptable to both parties.

## Arbitration and the International Court of Justice

Arbitration is a legal settlement of a disputed issue, similar to the function of the International Court of Justice. Decisions handed down by the court of arbitration, just like those issued by the court of justice, are final, are binding, and must be enforced.

The only difference between arbitration and the International Court of Justice is that arbitration is ad hoc and handled by a court that specializes in settling specific disputes, while the International Court of Justice is a permanent judiciary body not tied to specific disputes.

Some people may wonder why the Taba question has not been referred to the International Court of Justice.

Our answer is that this court's mandate is voluntary and based on the consent of the conflicting countries to turn to it. This is a feature that marks international justice in general, setting it apart from the domestic system of justice, whose rulings are mandatory. The nations' agreement to resort to the court is made before or after the conflict occurs in accordance with terms specified in Article 36/2 of the court's constitution.

In applying this rule to the Taba case, we find that the 1979 peace treaty prescribed, exhaustively, three means that can be employed to settle differences that may arise concerning the application and interpretation of the agreement. Whereas both Egypt and Israel have expressed their acceptance of the International Court of Justice's jurisdiction, Egypt has confined its acceptance--according to the 18 July 1957 declaration--to legal disputes that may arise concerning the application of the 1888 Constantinople Agreement regarding navigation in the Suez Canal. Moreover, Israel, in acceptance, excluded--in accordance with the 17 October 1956 declaration--any dispute in which the concerned parties have agreed on or will agree on other means of peaceful settlement.

It is evident that, in such circumstances, neither of the two parties to the conflict can bring legal action against the other in the International Court of Justice in connection with a dispute over the implementation or interpretation of the 1979 peace treaty.

It is proper to point out here that, whereas the jurisdiction of the International Court of Justice and the litigative proceedings before it are mentioned in its constitution and bylaws, the jurisdiction and procedures of the court of arbitration are specified in an agreement prepared by the parties to the conflict known as "stipulation of arbitration," which comprises the following: definition of the subject of litigation, composition of the court, selection process and number of arbitrators, the court's powers, procedures to be followed by the court in hearing the case--language to be used, briefs, arguments, use of technical experts, etc.--and rules to be observed in pronouncing judgment--required majority, length of arbitration, period within which judgment must be enforced, apportionment of costs and expenditures, etc.

One last thing: The preparation of a clear and precise "stipulation of arbitration" that satisfies all rules and procedures in a decisive and objective manner is a basic guarantee for the arbitration's success in settling the dispute.

EGYPT

KAOLIN DEPOSITS DISCOVERED ON EL-TEH PLATEAU

Cairo THE EGYPTIAN GAZETTE in English 16 Feb 86 p 2

[Text] Egyptian geologists have succeeded in discovering an area rich with Kaolin in El-Teh plateau, in Sinai, after 3 years of searching. The strategic reserve of Kaolin in the area is estimated at 100 million tons that may increase when the currently-conducted research works are completed by Sinai Company for Manganese, and the Geological Survey Authority.

The Chairman of Sinai Company for Manganese Mr Bahieddin Ahmed said that studies covered an area of 45 square kilometres where 4 layers of kaolin with a thickness ranging between 3 to 8 metres, were discovered.

Mr Ahmed also said that the recently discovered kaolin is pure and contains 32 to 36 percent ammonia, which can be utilised in the aluminium industry as well as in the production of alum. He pointed out that Egypt imports large quantities of alum every year for use in water purification.

The Chairman of the Company also said that kaolin is used in the industries of porcelain, refractories, ceramics, paper, electric insulators, rubber, and in the production of certain medicines. He added that the Kaolin can be exported to international markets via Abu Zenema Port, on the Gulf of Suez.

"The purity of the discovered kaolin will help it to sell in large quantities in international markets, at high prices," said Mr Ahmed who added that a plan to market this material is currently being worked out.

Meanwhile, Mr Farid Kamel, Head of the Research Sector of the Company, said that kaolin is extracted from 4 mines in Sinai but the percentage of the effective ingredients in the raw material is lower than in the recently discovered kaolin.

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EGYPT

BRIEFS

MINIA-ASSUIT ROAD PLANNED--A new road linking Minia and Assiut is projected to serve citizens of north and central Upper Egypt, in order to alleviate pressure on the current road which is used by 18,000 cars daily, a number which increases to 22,000 vehicles in high seasons and on national occasions.

The Governor of Minia, Mr Salah Ibrahim said that an attempt was made to widen the existing road but it proved difficult in its implementation. The road will be built in coordination with the Minister of Transport Mr Soliman Metwalli. The first stage which is to be completed in 1990 will cost LE 15 million financed through a US grant. The second stage of the road, Mr Ibrahim, will extend to Aswan.

The road will make it possible for citizens of north and central upper Egypt to travel directly from Alexandria to Assiut without having to penetrate urban residential agglomerations. [Cairo THE EGYPTIAN GAZETTE in English 14 Feb 86 p 3]

PACT WITH YUGOSLAVIA--The executive programme of educational and cultural cooperation between Egypt and Yugoslavia was signed yesterday by the Ambassador, Mohamed Ezeddin Sharaf, the Director of Cultural Relations and Technical Cooperation at the Ministry of Foreign Affairs, and by the Yugoslavian Assistant Director of Federal Administration for Cultural Cooperation, who is currently visiting Cairo. The programme which aims to boost the already existing cooperation between the 2 countries in the fields of higher education and culture through the exchange of scholarships, university professors and holding exhibitions and festivals in both countries, will cover the period from 1986 to 1988. [Text] [Cairo THE EGYPTIAN GAZETTE in English 20 Feb 86 p 2] /12851

CSO: 4500/93

MOROCCO

PUBLIC TRANSPORTATION PRICE INCREASE

Rabat L'OPINION in French 4 Jan 86 p 5

[Text] All of a sudden here it is that the Rabatian population starts 1986 in style, with a "friendly" increase in bus ticket prices. What a lovely gift from the Rabat Regional Transportation Authority [RATR] who had nothing better to do, the first of January, than to stun the passengers of these rumbling monsters--which unfortunately are indispensable to a good part of the population--with a gesture of wishes for a happy New Year.

Some 20 centimes more per ticket, they told us. You must certainly had to have noticed it yourselves when you bought your first ticket of the year. What then, was your surprise when the ticket collector asked you to add a little more; 1 dirham was no longer enough. He responded to your classic and routine question of "Oh, has this increased?" with his habitual coldness without deigning to look at you. Your reaction? Exactly the same one that you have every time you find yourself facing a price increase in some product or service. You have simply shaken your head in distress, accepting the fait accompli. This head-shaking almost never leaves you, since increases have become common practice and henceforth, a part of your daily life.

If the buses have raised their ticket prices, they're not the only ones.

The affliction has become more widespread and is evident throughout the entire public transportation system serving the province of Rabat. In the beginning, even the large taxis shuttling between the two rivers were getting into the swing of things with the price increase: 50 centimes more during the day and 1 dirham during the evening. Luckily they seem to have stopped, having been brought to their senses by the authorities. In any case, as far as the taxis go, the matter will continue.

Thus, for the population of Rabat-Sale, 1986 begins with that which one has come to expect: unexpected and additional expenses. Hopefully the affliction will not go any further and will not spread to other areas of life.

However, 1986 must begin and the unpleasant surprises will certainly not cease to "add spice to it" from time to time.

Of course, we were officially, and on more than one occasion, promised that this year would not experience any price increases in basic goods. But has one thought of all the small things in life where the repercussions might weigh heavily on citizens' everyday life, and particularly on those who don't have much money? It cannot be said too often: Man does not live by bread alone.

The case of the buses and taxis are only a small example which by itself, might well create enormous gaps in the budgets of the have-nots, who are already having trouble making ends meet.

God only knows what may already be ahead because there are other surprises which are about to appear starting 1 April, the date VAT is implemented.

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TUNISIA

## POSSIBLE BUDGET REVISION SEEN AS OIL PRICE FALLS

London MIDDLE EAST ECONOMIC DIGEST in English 22 Feb 86 p 28

[Text]

The recent fall in oil prices may force changes to the 1986 budget, National Economy Minister Rachid Sfar has told parliament. Each dollar fall in the crude price will cut about TD 10 million (\$14 million) from this year's export earnings.

Oil exports are still the single largest source of export revenues, worth a total TD 620 million (\$856 million) in 1984, or 44 per cent of total sales. In his 11 February address, Sfar told parliament that investment projects with a high import content will have to be cut back if the oil price remains depressed.

The 1986 budget was based on an average price for Tunisian crude of \$26 a barrel. Investment spending has already been trimmed in an effort to service the country's external debt (MEED 14:12:85).

The National Economy Ministry has produced figures to show the economic effects of average oil prices of \$20 a barrel, \$15 a barrel and \$10 a barrel. At \$20 a barrel, export revenues would fall

by \$67 million from the budgeted level, and government revenues by TD 26 million (\$36 million). Comparable figures for prices of \$15 and \$10 a barrel are \$110 million and TD 53 million (\$71 million), and \$152 million and TD 78 million (\$108 million).

The average cost of producing oil from the offshore Tazarka field is \$15 a barrel, Sfar says, making extraction unprofitable if the crude price falls below that level. Comparable figures for Ashtart and El-Borma are \$5 and \$3 a barrel, he added.

Oil production in 1985 fell by 8 per cent, to just above 5 million tonnes, of which 3.5 million tonnes came from El-Borma, 1.2 million tonnes from Ashtart and 700,000 tonnes from other fields. Sfar confirmed earlier predictions that Tunisia will become a net energy importer in the early 1990s. The El-Borma field has reserves of 30 million tonnes; reserves at Ashtart total 10 million tonnes and at other fields 5 million tonnes.

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CSO: 4500/99

TUNISIA

BRIEFS

TRADE TALKS WITH POLAND--[Unattributed report: "Toward the Strengthening of Bilateral Cooperation on the Basis of Respect and Common Interest"]--National Economy Minister Rachid Sfar had talks at his department yesterday morning [26 February] with Adam Kuszarski, director general of the Polish Foreign Trade Ministry, who is heading his country's delegation to the meeting of the Tunisian-Polish joint grand commission which is being held in Tunis. During these talks, which were attended by Polish Ambassador in Tunis Mieczyslaw Majewski, Rachid Sfar stressed the need to promote bilateral cooperation to raise it to the level of the excellent political relations between the two countries which were clearly demonstrated during President Jaruzelski's recent visit to Tunisia. The national economy minister added that Tunisia is trying to counter the effects of the world economic crisis by strengthening its cooperation with fraternal and friendly countries on the basis of mutual respect and common interest, in accordance with the policy laid down by President Bourguiba since independence and which Prime Minister and Interior Minister Mohamed Mzali is trying to implement with determination and responsibility. [Text] [Tunis L'ACTION in French 27 Feb 86 p 5 PM] /6662

CSO: 4500/98

ISRAEL

RESULTS OF TALKS WITH EGYPT SUMMARIZED

Tel Aviv YEDI'OT AHARONOT in Hebrew 14 Feb 86 pp 1, 6

[Text] Dr Nabil al-'Arabi, chairman of the Egyptian director generals delegation, who is in Israel for consultations, was to visit the defense minister's office in Tel Aviv on 14 February. The visit was to follow an invitation by Minister Yitzhaq Rabin.

In the round of discussions between the Egyptian and Israeli general managers, being held in Hotel Akadya in Herzliya, several issues have already been agreed on. It does seem, though, that no agreement has been reached on arbitration regarding Taba.

The chairman of the Egyptian delegation said on 13 February, when he was asked about the matter: "The atmosphere at the talks is serious and to the point. Work continues and we intend to finish soon."

The chairman of the Israeli delegation, general manager of the prime minister's office, Avraham Tamir, said: "It is only natural that there are differences of opinion. It is possible that we may have to pass some issues on to the political level."

The subjects on which agreement has been reached in the Akadya talks:

Monuments. Egypt will erect two monuments for its dead in Israeli territory, one near Pelugot, in the Negev, the other south of Ashdod. Israel has already erected two monuments for IDF soldiers on Egyptian territory.

Tourism. The Israeli ambassador to Cairo will coordinate a visit by the Israeli tourism minister in the near future.

The murder at Ra's-Burqah. The Egyptians promise that Israel is "soon" to receive the minutes of the murderer's trial.

Communications. The possibility of direct dial between the two countries is to be considered.

Commerce. A date is to be set for a meeting of experts of the Commerce and Industry Ministries of both countries.

Both delegations were to hold another meeting on 15 February. On Sunday the Egyptian delegation was to return to Cairo, and one week later the Israeli delegation was to arrive in Cairo.

Qamar Shah Zulfiqar, correspondent of the Egyptian weekly AKHIR SA'AH, interviewed Prime Minister Shimon Peres on 13 February, in his office in Jerusalem. This is the first time in 4 years that an Israeli prime minister has granted an interview to an Egyptian correspondent. It was reported that she asked the prime minister several confrontational questions such as, "How can you talk about peace and at the same time employ your planes in Tunisia? What did you accomplish by intercepting the Libyan plane? Is it true that Israel's intelligence service is responsible for the murder of PLO moderate Sartawi?"

Zulfiqar also interviewed Foreign Minister Yitzhaq Shamir, and then said: "There is no difference between Peres and Shamir. They talk the same political language and think in identical political terms."

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CSO: 4423/90

ISRAEL

ANNOUNCEMENT OF FORMATION OF NEW CENTER PARTY EXPECTED

Tel Aviv HA'ARETZ in Hebrew 12 Jan 86 p 2

[Article by Ilan Shehori, HA'ARETZ correspondent for party affairs:  
"Announcement of the Establishment of the New Center Party on Wednesday"]

[Text] The official announcement of the establishment of the new Center Party by dissenters from the Liberal Party will be made this Wednesday at a news conference, which will be held by heads of the new political body, including Arye Dulchin, chairman of the [Jewish] Agency, Yitzhaq Berman, and Shlomo Lahat.

Figures from the Liberal Party, who oppose the unification with the Herut Party and the establishment of the Likud Party, will form the basis for the Center Party and the initial financing for the movement will be from the money of contributors from the United States, who have been mobilized by Dulcin and Lahat in recent months.

The HA'ARETZ correspondent notes that it is not yet clear who will head the new party and lead it during the next elections to the Knesset. In the last few weeks it has been mentioned that Tel Aviv mayor Shlomo Lahat will head the list for the Knesset and Arye Dulchin will be the chairman of the movement. However, many members of the new movement oppose Lahat's candidacy, mainly in view of his political announcements, including support for the idea of the establishment of a Palestinian state. The claim against Lahat is that his views and announcements are liable to hurt the support for the new party and to identify it with the leftist camp. In the last few days some members of the movement, which has not yet been established, have demanded that Rehovot mayor Yehezqe'el Har-Melekh, who is popular among all the members of the movement, head the list for the Knesset.

Exploratory Contacts With LA'AM, Shinuy, and Ometz

At the end of last week Lahat appeared before the leadership of LA'AM and presented the platform of the new Center Party. Knesset member Yitzhaq Artzi, representative of LA'AM in the Knesset, said that his movement was making exploratory contacts in connection with the possibility of joining the Center Party in the future and of jointly appearing in the Knesset. The HA'ARETZ correspondent notes that for a long time Yitzhaq Berman has maintained contacts with the Shinuy movement in connection with it joining the Center Party. Discussions are also being held with the Ometz movement headed by Minister Yig'al Hurvitz.

ISRAEL

SHARON GAINING STRENGTH WITHIN HERUT PARTY

Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 14 Feb 86 pp 6-7

[Interview with Ari'el Sharon by Orly Azulay-Katz]

[Text] The public slap in the face which Sharon received from Begin's son left him unaffected only outwardly. Sharon and his followers decided to keep quiet. They lowered their profile, as if to discount the matter, or even ignore it altogether. Perhaps they hoped that with time the party would find something more interesting to deal with.

There are whisperings in Herut that what Begin, Jr did to Sharon is what many other good veterans have been wishing to do for a long time, only they did not dare. In view of Beni Begin's words, and inspired by them, people are now saying to Sharon that he is actually an alien in the party. He is accused of joining it after the victory, following a term with the Liberals, in Shlom-Tzion and that he even veered, peculiarly enough, toward Yosi Sarid. The old Herut, veteran of the underground, is impressed with Arens because of his refined manners. They are willing to compromise on Sharon because of his loyalty and because of his past. Those who only whispered about it are willing to admit now, openly, that it was Arik who sent Begin to Tzemah St. On this point even his military past or his accomplishment as a soldier cannot help him, the reason being that Menahem Begin, for Herut, is still the heart and the oracle. And Sharon broke their heart.

These days, what serves Sharon best are his fabulous adaptability and his well known skill to read the political map correctly. Several weeks ago he supported Yitzhaq Shamir. Just before the vote in the central committee he suddenly switched to David Levy. "I did not switch allies," he explains, "I only stuck to my principles."

True, for now he is relatively safe. Not only that. Local elections, held this past week, clearly indicate that he has gained support within the party. His goal, to become prime minister, is marked with a red pin, and now he is considering the way to attain it. The interview with him was not a matter of thunder and lightening, not even fireworks. He weighed every word he uttered into the microphone, and throughout the interview repeated that he was neither attacking nor shooting arrows at anyone. It could be that even this pose is part of the means to the end.

As to his political past, he is not willing to give up the right to respond. In his office in Tel Aviv, surrounded by advisers--he jokingly calls them his bodyguard--Sharon sits and talks in a rather unfamiliar moderate tone. Over his head is a photograph of Shimon Peres, and next to it one of President Herzog. On the wall on the right there is a photograph of Menahem Begin and some scenes from throughout the country.

"I did not start my life as a party functionary, I admit; I came in via another route. I served in the military for 28 years," he says. "I did not join Herut after the victory. I was forced to resign from the IDF in June 1973. I did not leave because, as some say, I was not appointed chief of staff. I wanted to serve for another year, but the then chief of staff, David El'azar, objected. Dayan and Golda did not support me and so I was forced to resign. When I did, I was among those who initiated the establishment of Likud. Over time many joined, but actually the idea was mine. At first everyone opposed it. But after 6 weeks of a political struggle I managed to bring about the establishment of Likud. Its establishment in 1973 was the main factor which enabled it to win the elections in 1977. I then rejoined the IDF for the Yom Kipur War. When I came back from the war I was not allowed to carry out the unification of Likud and therefore I decided to run as an independent, in the Shlom-Tziyon movement."

In the matter of Shlom-Tziyon Sharon tells a story which has not been known up to now. Several weeks before the elections, he went to visit Begin, who was then recovering from a heart attack at the Sharon Hotel. Arik offered to give up his independent ticket and run with Likud. Begin agreed, and appointed Yitzhaq Shamir, then in charge of the organization of Likud, to take care of the matter. Sharon met Shamir at the Harli restaurant. Shamir listened to Sharon and at the end of the conversation announced that he wanted to hold a conference. At that point, maintains Sharon, Shamir disappeared. "He said he was going to get in touch with me, but after that day we never again talked about the subject," says Sharon cynically. "I looked for him, because it was late and the lists had to be submitted. But he was nowhere to be found. I called Begin, who was very angry over the matter. The day after the elections I met Begin and Shlom-Tziyon joined Likud. Thus the argument that I joined after the victory is sheer nonsense. I made the biggest contribution for the victory. I would define any other claim as heresy."

Herut is trying to fill the gap caused by Begin's retirement, but for the past 2 years has not been able to find a leader. Sharon and Levy both claim the title. Arens has yet to voice his opinion. Shamir's supporters say gleefully that Sharon and Levy are fighting on the same court: development towns and ethnic groups, where power and charisma count. In Levy's camp there are those who are willing to swear to it that they heard Sharon say, "I will hit Levy in his own court." A senior Levy adviser, Itziq Regev, is willing to say, "Sharon's camp is smaller than 100. Reality has shown that Sharon depends on Levy. He may be able to face Shamir with Levy's support. But if he wants to confront Levy, he is lost." Sharon's supporters voice the same opinion, only they reverse the main characters.

At this point Sharon is not concerned over recent votes within Herut. "There were votes, and there will be more votes," he says, rather nonchalantly. "I have time." He is not in a rush, but he is careful not to lose any time. He canvasses all of Herut's offices, throughout the country. He knows what people want to hear. He gives his supporters, who receive him like a king, many extreme statements regarding the indivisibility of the country and the unrelenting war against terrorism. He is also very careful to pay his respects to those party members who actually cast the votes. Along with his wife Lily he is present at their parties and when there is a death in their families. If he cannot attend personally he makes sure to send flowers or express his condolences by phone. This is how he works.

The author asked him if there is such a thing as the "Sharon Camp."

[Answer] "As a matter of principle, I am against such associations. But circumstances were such that there was no choice. We are not about to select a prime minister. Shamir is our candidate for prime minister. This is true whether the rotation becomes a reality or whether we have early elections..."

Arik Sharon does not see any reason why Likud with Shamir should lose the elections. In his opinion there has been no shift in power amongst the various blocks and he hopes that Herut, with clear and unequivocal positions, will succeed in attracting those votes which went to Tehiya and Kahane.

[Question] Alignment people note jokingly that, from their point of view, you are the best partner for breaking up the coalition. Is there anything behind it?

[Answer] No, emphatically, no. This is all intended to throw Likud into discord and confusion. Why should I have any interest in thwarting the rotation?

At this point Sharon volunteers to reveal a story which has been kept secret up to now. According to him, the whole idea of a national unity government started in a secret meeting between him and Shimon Peres several days after the elections. The meeting was held at night, in a house in the Tel Aviv area. This is how Sharon tells it: "All told the situation was very difficult. Not one of the blocks could put together a coalition. No side wanted to appear a failure. Shamir was aware of the fact that I went to meet Peres. Peres and I were political adversaries. This was after both of us had made harsh statements during the elections."

[Question] Did you cut your vacation short for the meeting?

[Answer] No. I did not come incognito. I do remember that Peres' guard approached me outside and said: 'Do you have any idea who is inside? I think you are mistaken.' I told him I was not. He was rather baffled. He thought the whole thing might be quite embarrassing. I asked to enter. The meeting turned out to be rather pleasant, following several years when we had had no personal contact. It was at that meeting that I suggested to Peres that a national unity government be established, that I proposed the idea of rotation, and the whole idea of forming a coalition.

[Question] And what did Peres have to say?

[Answer] I wouldn't want to go into that. This was a very unique meeting. It seems to me that I have already said too much as is.

Sharon's game now is to wait quietly. It is possible that in the back of his mind he has the "yellow ticket" which Peres waved in front of him a few months ago, when Sharon gave vent to his tongue. He is playing his next move differently. Sharon experts say that he actually enjoys the constant rumors about himself. He is extremely critical about what is going on in the government now. But what he says is rather cautious.

[Question] Let us say that the decision to intercept the Libyan plane was in your hands. What would you have done?

[Answer] I am of the opinion that terrorism should be fought on all fronts. I don't want to say what I would have done, because to date I don't have all the facts. The serious thing that took place in this instance is the way in which the decision was arrived at. The government should hold an investigation in order to determine how such decisions should be made, intelligence sources, etc. In my opinion the issue should be investigated not from within the government, not from within the IDF--just so similar mistakes don't recur in the future. After all, the cabinet is full of people with a lot of experience on the subject and had it been brought up for a full cabinet discussion, it is possible that results would have been different. It is not at all clear to me why the subject was not raised at a full cabinet meeting. In any event, I do know that it was not for lack of time.

[Question] Do you share optimists' views regarding improvement of relations with Egypt and a possible beginning of negotiations with Jordan?

[Answer] It is a mistake to present the matter in short terms, as if peace is just around the corner. It is also a mistake to threaten that if Israel does not attain peace, war is inevitable. One cannot arrive at peace with a stop watch going. Too many of us are doing just that and are asking when the meeting is to be held, when is the conference to be held, when are treaties to be signed, when can we expect peace. Egypt and Jordan need peace no less than we do and it is inconceivable that we should be the only ones to make concessions. It is a mistake, in my opinion, to say that this is the last opportunity for peace. There are those who are naive enough to believe that peace with the Arab nations is possible overnight. All rumors regarding imminent peace, followed by the inevitable disappointments, only serve to weaken our position.

[Question] Do you think that Ezer Weizmann's trip to Cairo was superfluous?

[Answer] I am all for keeping in touch. It is necessary to keep talking in order to reduce tensions. At the same time it is a mistake to let Egypt determine whom to talk to. As to the trip, I did not appreciate all the commentary surrounding it. Some commentators said that Shamir approved the

trip knowing that it would fail. I would like to believe that this is not true. Because the failure was not Weizmann's, it was Israel's.

Sharon is not waiting for his moment. He is waiting to see what his next move may be, so that at the right time he can throw his hat in. He does not control events. He stresses over and over again that his goal is to reach the top, but if he does not make it, he will not feel disappointed even for one day. "If I don't make it, even if I am not in the government, I will return to the farm and enjoy life there. Personally, it is wrong to say that I will not be at peace with myself. I have never had enough time to do what I really want to do, to be a farmer, for example. There are many places in the world where I have not been, and where I would like to visit. There are people I would have liked to meet, that I have not had the opportunity to meet. There are books I would like to read, there are things I would like to write...

[Question] Do you have plans to write a book?

[Answer] Everyone writes a book sometime.

When it happens, it will undoubtedly be interesting to read Arik's story, as he sees it, and the bookkeeping, which is sure to be part of it.

[Box on p 7]

[Question] Arik Sharon, why do so many people love to hate you?

[Answer] The phenomenon of hate is prevalent in Israel, it is very serious. There is a need to focus hatred on various targets. We saw it following Arlozorov's murder, we saw it in the Labor Party following all the splits, when sons raised their arms against fathers, and we saw what happened to Ben Gurion, who is undoubtedly the greatest thing that happened to the Jewish people in this century.

[Question] When hatred is directed against you, what does it do to you?

[Answer] It certainly does not shake my sense of justice, nor does it weaken me. Have you forgotten the hatred of Menahem Begin or of Ben Gurion, who was lonely toward the end of his life? I am not putting myself on the same level with these two, but hatred has been directed at the most central and the best. We ought to fight it.

[Question] What about the name calling and when you are referred to as a murderer?

[Answer] Usually I am received warmly. But when the time comes, someone will have to remember that in the midst of the war there were people with placards saying 'Sharon is a murderer.' The demonstrations during the war were organized. Political leaders, by their very behavior, encouraged terror organizations in Lebanon, even if they did so unknowingly. Those who stood there with placards saying 'murderer' have no more rights in Israel than I do, moral or otherwise.

[Question] You were also called a liar...

[Answer] This was one of the dirtiest lies. Maybe someone will finally come along and prove it. I am prepared for any confrontation on the matter. I am not name calling anyone. I could employ the ugliest terms and even then not exhaust what they deserve. I did not choose this way, I am not following this route.

[Question] It is your colleagues in Herut who say that one reason for Begin's self-imposed isolation is connected to you. You did not tell him the truth during the Lebanese War.

[Answer] There is no basis for the accusations that operations were carried on without the government's awareness. I have enough stamina to wait until all the minutes of the government meetings can be made public. All the inciters will then blush with shame. There wasn't even one move which had not been approved by government. The whole affair needs to be investigated at some time, when the atmosphere is cooler, when time passes and things can be considered from the proper perspective.

[Question] In the past you were Begin's favorite. Now there is alienation. What is the reason for it?

[Answer] My relations with Begin are still very much alive and I think that there is no basis for these rumors.

[Question] Do you visit him?

[Answer] I met him several times and I have been in touch with him by phone. These assumptions have no bearing on reality. There are those who use incorrect facts for furthering their own interests.

[Question] Beni Begin came out against you. Was that a blow to you?

[Answer] I prefer to not comment on the subject. I am sure that what he said does not reflect Begin's position. Out of respect to Begin senior, I would rather not comment.

[Question] Although you have been hurt?

[Answer] I will not pursue this further. I gave you my answer.

[Question] Have you talked with Menahem Begin since his son came out against you?

[Answer] No.

[Question] When you are out, your supporters often surround you singing 'Arik, king of Israel.' Do you enjoy that?

[Answer] I react quietly. In spite of descriptions to the contrary, I am not an impulsive person. I like to talk to people who react quietly. When people treat me warmly, it is definitely pleasant, but also embarrassing.

[Question] You have never made a secret of the fact that you aspire to the premiership. What is your time table?

[Answer] I am not in a rush. I am not rushing anywhere. As a politician I say, and quite clearly, that one day I will try to achieve this. If it does not happen, it won't be a blow. Presenting me as a man obsessed with ambition is simply not true. I have said many times that my secret weapon is that I have far less ambition than some people ascribe to me.

[Question] Herut's veterans have not yet forgiven you that when you were in the process of establishing Shlom-Tziyon you were in touch with Yosi Sarid, considering a joint party.

[Answer] I have never been in touch with Yosi Sarid. I have denied that a hundred times. I never considered running with him on the same ticket. I have not changed my positions on the matter. This is my answer.

[Question] It was published that you suffer from rheumatism. Does it bother you much?

[Answer] I have long since recovered. Everything is all right.

[Question] In recent days you have canceled public appearances because of your mother's illness. You sat at her hospital bed for long hours. You must have had some very difficult days.

[Answer] I have a very special mother. Up to recently she used to work in the orchard every morning. When she is sick, it is very difficult. A mother is a mother. There is only one mother.

[Question] There has been a lot of talk about you in the past year. Many articles were written about you, even a book. Is it true that you don't stop for red lights?

[Answer] I have not read the book, nor did I participate in its writing. Of what I have read in the press, I saw it as an unusual collection of lies and nonsense. It is difficult to conceive that one book can contain so many lies and stupidities.

[Question] Nevertheless, do you stop at red lights?

[Answer] I don't quite follow the title. It is so far from the truth that I don't see any reason to even bother to comment.

8646

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2 April 1986

## ISRAEL

## TRADE DEFICIT INCREASES 152 PERCENT

Tel Aviv HA'ARETZ in Hebrew 10 Jan 86 p 12

[Article by Shlomo Ma'oz: "Rise of 152 Percent in Israel's Trade Deficit"]

[Text] Israel's trade deficit increased at the rate of 152 percent during the last 2 months of 1985. This is based on seasonally adjusted data and without import and export data. The serious deterioration is relative to September-October. These data were published by the Central Statistical Bureau, which explained that the deficit growth resulted from a 16-percent rise in imports and a 16-percent drop in exports.

In 1985 Israel's trade deficit totaled \$2.002 million as compared to \$2.521 million in 1984 and \$3.556 million at the height of 1983. The improvement in the deficit throughout 1985 resulted from an 8 percent rise in exports, which totaled \$6.073 million, and from a drop of only 0.8 percent in net imports, which totaled \$8.075 million.

Seasonally adjusted data show that during the second half of 1985 there was an 8 percent drop in the deficit, following a 9 percent drop in the deficit during the first half of the year--every half year as compared to the previous one.

There was a big growth in imports during the last quarter of 1985--10 percent more than the average level of imports during the first 9 months of the year. The growth of consumer goods comprised 26 percent between the periods mentioned, including durable goods, 50 percent. The deficit with the Common European Market totaled \$1.086 million--a 5 percent drop. Fifty-five percent of the deficit resulted from trade with Germany. The data do not include diamonds. The deficit without diamonds with the United States totaled \$337 million--a 51 percent drop. With diamonds there was a surplus of about \$300 million in trade with the United States (until November).

11439

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ISRAEL

#### GROUNDWATER RESERVES BECOMING DEPLETED

Tel Aviv HA'ARETZ in Hebrew 10 Jan 86 p 12

[Article by Eli El'ad: "Fear of Nonrenewal of Groundwater Reserves Owing to the Scarcity of Rains"]

[Text] The scarcity of rains is evoking great concern in water institutions, which are disturbed mainly by the nonrenewal of groundwater reserves, whose level continues to drop in various regions in the country to such an extent that wells must be closed.

The Yarqon-Tanninim aquifer, which is one of the two big groundwater reserves in the country (the second is the aquifer of the coastal plain), now contains only about 230 million cubic meters of water above the "red line," under which it is prohibited to continue pumping owing to the danger of salination.

In Meqorot's drilling in the Lod plain the water level has dropped below the pumps, so that for the time being the company cannot continue pumping from this drilling. In the Yavne region the groundwater level has dropped about 1.5 meters, and in the Ma'anit region, 3 meters.

In the Golan Heights the springs that supplied drinking water to Moshav Qeshet have stopped gushing forth and Meqorot installed an alternative water line for the settlement. Problems of drinking water supply also arose in the region of the Argaman and Biqa'ot moshavim in the Jordan Valley.

The water level of the Kinneret has hardly risen since the beginning of winter and it is now at an ebb of -211.82 meters below sea level. The flow of water in the Yarmuk and in the Jordan is defined as nil.

Meqorot spokesman Mordekhay Ya'aqubovitz noted that the accumulating hydrological deficit of the water economy, which amounted to about 1.5 billion cubic meters, increased even more in the absence of rain. During this season of the year every passing day without winter rains is a lost day.

A meeting in the Ministry of Agriculture with the participation of heads of the water system is scheduled for next week and, among other things, water supply during the forthcoming summer will be discussed.

11439  
CSO: 4423/78

ISRAEL

#### AIR-GROUND LIAISON IN IDF

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Jan 86 pp 25-27, 87

[Article by Ari'el Guler: "The Liaison Force"]

[Text] It is hard to think of any Air Force group that did not participate in the IDF command exercise at the end of November-beginning of December. Fighter planes carried out air attacks against feigned enemy forces and objectives. At certain stages of the exercise our planes even simulated enemy planes attacking IDF forces. Attack helicopters found their place in the first assault wave, while other choppers were busy transporting fighters and their equipment to the "battlefield," shipping cargo, evacuating the "wounded," etc. Supply squadrons were called on to land and drop forces, equipment, and supplies. The anti-aircraft battalions and control units were also used.

The participants constituted a mighty force. That force was activated to achieve the Air Force's goal in the framework of the exercise: drilling liaison with the ground forces. This liaison is the task of the Air Force's cooperation unit. In the above-mentioned exercise, this unit fulfilled a very central function--both in terms of its scope of activity in the exercise, which was the broadest in the history of the IDF, and in terms of the very definition of the Air Force's mission in the exercise: liaison.

The cooperation unit is headquartered at one of the Air Force bases. The unit's regular force is based there and constitutes its "hard core." Some of the unit's people are reservists.

That is mainly the case with pilots, who serve as Air Force representatives and air advisors to the commanders of the various fighting forces at the various echelons of the force. During wartime the unit's people are sent to the unit's rear command posts and to the forces fighting in the field. At these forces' headquarters a tent is set up to house the air advisor, his crew, and the instruments they use in their activity. That air advisor has broad knowledge of many activities involved in the work of the Air Force. Additional pilots are at his disposal from various fields: fighters, helicopters, attack helicopters. The more detailed the treatment of a particular equation becomes, the more professional the people assigned to it.

Because a portion of the air advisors are reservists, who, in some cases, no longer fly in the various squadrons, a problem arises that the unit must deal with. It is precisely to these people that requests for Air Force participation are addressed, and there is concern that it be carried out in the best possible fashion. They must therefore maintain a high level of up-to-date knowledge. The unit for cooperation therefore conducts very intensive training activity.

#### Mighty Force Multipliers

[Question] Brigadier General M., commander of the cooperation unit, how do you see the Air Force--as a support force or as a participating force in land battles?

[Answer] In my opinion, the Air Force is a participating force. Here we are getting into definitions and very high-level policy. I believe the Yom Kippur war was the last war to prove that this kind of liaison is vital. There is no service branch that can fight alone. Liaison is not a motto or something "desirable," it is a must. This was particularly striking in the first hours of that war. When the IDF barely managed to accomplish its missions, it turned out that each service branch absolutely needed the other to support it in those areas of the war in which it had gotten "bogged down."

The term "participation" certainly expressed the situation that prevails today. Today no one can achieve his missions by himself, not to mention higher-level things. The ground forces cannot act without the Air Force fulfilling its missions--by definition, defending the country's skies and achieving air superiority. That is also participation. But very concretely, on the battlefield, there are things which are almost the exclusive prerogative of the Air Force, at very difficult stages of the battle. I see the Air Force vital in defense, vital in offensive missions--without it the ground forces cannot carry out their missions. That is not support, they simply work together to achieve the mission.

There are still some people who argue the terminology--I see participation achieving more than force multiplication. Each of the two forces alone can achieve certain things. The minute there is liaison between them, you get much more than one plus one. You get multiplication of force that is way beyond that.

#### An Integral Part of the System

[Question] Is it correct to view your unit as a kind of filter between the forces in the field and the unit's command posts?

[Answer] It could be viewed as a kind of filter. But it would be more correct to see it as a liaison unit, a unit that translates one language to another. There are two powerful systems: one the one hand, the ground forces; on the other, the Air Force. Each speaks its own language, with its own maps, its own timetables, etc. We are in the middle. Whatever I get in a certain form I have to process and translate into the other language. From my point of view, it would be ideal to stand in the middle and work as an integral part of

the system without feeling at all what happens next. That is: air advisors at the formation level in the field work with the ground forces in a section of their war rooms. They talk with them, move with them in the field, and everything is according to the rules and methods of that particular command.

On the other side of the coin, a squadron at one of the air bases receives a regular operation order, with all the data, in sufficient time. The plane takes off, flies, every detail that it needs arrives in sufficient time. We need to be doubly reliable, work simultaneously, and know how to maneuver between the events that hit us from both sides. For example: the weather. Bad weather is almost an insignificant factor for the ground forces; they continue to fight. But planes are completely dependent on the weather. Still, in the hours after bad weather, the ground forces are likely to be stuck in one place while planes can act freely. We are expected to see what the problems and opportunities are for each of the two systems--and integrate them. If one of the systems, for example, gets hit by a problem and the other system can help, we are the ones who make it happen.

#### Control at Every Level

[Question] How exactly are things carried out in the field from the moment the force commanders make the request until the flight takes off and carries it out?

[Answer] The ground forces people approach us and ask the Air Force to carry out a certain mission. They do not specify the kind of plane or helicopter, the kind of ammunition, how to do it, what routes to fly, etc. We receive the request. The details and the planning--how to carry out the mission--are decided by an Air Force man in the field, in direct contact with the ground forces, to make sure that what the ground forces requested is carried out. More detailed professional planning is done in the cooperation unit's command posts. Our forward positions also have forces allocated to them--helicopters, attack helicopters, and all the capability of the field itself.

All the requests are sent back to the various rear positions, and on the basis of information forwarded there, mission orders go out to the forces that will carry out the request and to the forces that control them. Thus the mission planning circle is completed so that the right plane with the right ammunition takes off at the right time to get finally to the target. The final completion of a specific goal can be changed while it is being carried out, even in real time.

#### Increasingly Close Cooperation

[Question] Could you give us a short review of the history of the cooperation unit?

[Answer] Cooperation has existed as long as the Air Force has existed, but back then they called it air support. The outstanding example from the War of Independence was when four of our planes blocked the advance of an Egyptian armored column on Ashdod. Down through the years, the Air Force has provided support or cooperation to the ground forces. The units that have actually

carried that out have undergone several reincarnations, with two big turning points coming in the wake of the Yom Kippur war and the war in Lebanon. The system continues to improve enormously. But we are dealing with the modern battlefield, and the fact of improvement does not yet assure that we will have a much better capability. In my opinion, our capability has not yet surged forward to the degree the organization of the cooperation unit has.

Bodies such as these and others have been set up. But in my opinion what is particularly noteworthy is that the Air Force role since the Yom Kippur War has continually increased.

What has guided our thinking is that in order to carry out a mission, several circuits need to be closed. There are data and details that must be available to anyone dealing with that mission, so that everyone works together and knows what it is all about. Once the circuit is broken, and some elements do not do their share or do it half-heartedly, there will be problems in the implementation. Our objective in the organization of the unit and its recent activity has been more and more to close those circuits.

[Question] Can the war in Lebanon be considered a turning point in the development of the strategy of cooperation?

[Answer] Not a particular turning point, but still a kind of turning point. In fact we did not change anything significant in the war in Lebanon. Most of it was known beforehand, it was simply a matter of "closing more circuits" in battle strategy, in the area of connections between the requests made in the field and the rear position--thus, to close the implementation circuits that were previously more like open loops as things simply were not being fully "closed."

Areas of responsibility were redefined and the two bodies that had existed previously (one dealt with helicopters while the other handled fighter planes) were united into a single more orderly and established body--the cooperation unit. Instead of a scatter-brained body with a lot of people, each occupied with a narrow specialty, we now deal with cooperation in general, in all aspects. There is mutual input between different kinds of missions and the unit's members are more reliable in areas that are, as it were, foreign to them.

[Question] Does the cooperation unit influence the pilot's job in the air?

[Answer] I would imagine that it does. That is the bottom line of this unit: the attack pilot receives an order, takes off, dives, focuses his sights on the target, and releases his bombs. Our job is to make sure that this will be the important target that the requesting force needs us to attack. The check that has to be done is to assure that the system does the job at the right time on more numerous and more important targets that can influence the battlefield. I do not know if the pilot can feel the change immediately, but clearly he can feel that the people speaking to him from the field are more reliable.

[Question] Your people are mostly pilots. Suddenly they are taken to the reserves, thrown into the field, abroad--how does that affect their functioning?

[Answer] There is a process of adjustment here. It is a very personal matter and depends on the individual. I have fantastic people who are pretty much driven by motivation and the mission. They look around to see how they can best serve their country--and give it their all, even to the point of going out into the field, which, as active pilots, they have never experienced before. By the same token there are those pilots who are still adjusting or those who look more at "how am I doing" rather than "what am I doing"--and there is a problem with those. I have to struggle with some pilots who, apparently, at the outset do not understand the importance of the unit. They look more at the way things are done and "pull" for more comfortable positions instead of coming under fire in the field. And we also have air advisors who do come under fire.

However I am happy to state that within our unit the first kind of people are a leading majority. Even when a man reaches a certain age, he still wants to be important and contribute. I do not have to give pep talks...sometimes the people who come to us from the Air Force are surprised. They come into the field and see our people in conditions that they had never suspected.

#### To Improve Strategy Even More

[Question] What is your appraisal of your unit's performance in the exercise?

[Answer] First of all, I am very happy that the exercise was conducted. A very large portion of the unit was activated at all levels--in the field, at the command posts, in the unit itself (conscription, supply, equipment, etc.).

The strategy devised after the war in Lebanon was drilled and instituted. For some things, the drill supplied the first opportunity for the men to see the full range of problems. They had to deal with them with their own hands and read the picture with their own eyes. There are things that cannot be conveyed methodically, in lectures, etc. In addition to that, we exposed some additional points, not many, that the strategy had not fully formulated or covered. Some of those points are our unit's responsibility. Some of them are the responsibility of other bodies, within the Air Force or outside it. They are precisely the lessons by which we need to learn and improve.

9794  
CSO: 4423/86

LEBANON

HIZBALLAH APPEALS FOR JOINT ACTION AGAINST ISRAEL

Beirut AL-'AHD in Arabic 20 Feb 86 p 1

[Excerpt] On the occasion of last year's anniversary [of Raghib Harb's death], Hizballah directed an open letter to the oppressed in Lebanon and the world in which the matter of a greater Islam stood out. This was done because of the fierce confrontation with America, Israel, and the rotten Phalangist regime and it was void of all the pettinesses of the distorted interior. Some thought that this initiative would be no better off than previous communiquees and concepts which some have announced and then labored in every direction to violate.

However, a full year has confirmed that Hizballah is up to the confrontation and that preoccupation with internal matters is based on sectarian distortion. These matters do not worry [Hizballah] in the short or long term. In fact, it perceives clearly that this preoccupation is itself a distortion.

On this basis, a spirit of suffering and compassion was aroused in Hizballah, as well as a sense of regret about what had separated the others with regard to the Muslim community and the homeland.

While the blood flowed senselessly and without cause in Beirut, the camps, and Muslim Tripoli, Hizballah stood shouting to the players: "Fear God in your blood and save it to fight your enemies. Israel still lies in wait for our land, our religion, and our honor."

Yet the people were approaching a clash in the land, whose cost was a blow to the Muslims in Lebanon, and the banishment of Islam from the streets of Tripoli.

Today perhaps they are awakening and reviewing what their hands had concealed, and realize that there is no security, no solution, and no settlement in the country unless the Zionist enemy is completely driven from the occupied lands of the Muslims.

Perhaps they are conceding the truth, that Islam cannot today be banished from the arena, that the resistance springs from it and triumphs through it. The others will have no choice but to follow along blindly. This is what we ask of all, even those outside the arena of conflict. This is the opportunity we do not wish to miss.

AL-'AHD

/9365

CSO: 4400/131

UNITED ARAB EMIRATES

TRADE WITH BULGARIA INCREASING

Dubayy KHALEEF TIMES in English 7 Mar 86 p 13

[Text]

BULGARIA's exports to the UAE have registered a slight increase despite current obstacles to trade with the Gulf such as the economic slow-down and effects of the Iran-Iraq war, according to the country's ambassador to Kuwait, Ivan Budinov.

In a chat during a visit to this newspaper's office in Dubai, Mr Budinov said exports to this country last year were worth about \$5 million and promotional efforts were to be undertaken to augment trade.

A high-level delegation led by the chairman of the Bulgarian chamber of commerce will visit Dubai at the end of this year and the first Bulgarian solo exhibition is proposed to be held in the emirate in early 1987.

Mr Budinov who was accompanied by the director of Bulgaria's trade centre in Dubai, Vesselin Bijev, said the absence of shipping links between the two states hindered growth in trade.

Three years ago, Bulgaria started a direct shipping service, but it was found to be uneconomical because usually there was no cargo for return voyage.

However, when there are huge consignments for this region Bulgarian exporters charter vessels for direct sailing.

Among the country's major exports to the UAE are canned food, live animals, textiles and canned fruits and vegetables. Among the highlights of bilateral economic cooperation has been a joint venture design and consultancy firm.

It designed several prestigious buildings in the country such as municipal offices in Abu Dhabi and Al Ain, the central bus station in the capital and the foodstuff testing laboratory in Al Ain.

Over 3,600 tourists from the UAE visited Bulgaria last year, 40 per cent of whom were nationals. Its national airline runs a weekly flight to Abu Dhabi and during the holiday season, there are frequent chartered flights for tourists from various local airports.

Discussions are now under way with concerned ministries in the UAE for organising a Bulgarian cultural week in the capital which will feature the country's heritage of painting, puppet theatre, monuments and other subjects of interest.

/9317  
CSO: 4400/130

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

SITUATION SEEN STILL UNSTABLE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 25 Feb 86 p 6

[Article by Wolfgang Koehler: "Aura of Violence Still in Air--Street Battles Follow Aden Massacre"]

[Text] Aden, 24 Feb--In the meeting room of the central committee of Yemen's Socialist Party the aura of violence and horror is still in the air. The room has the smell of death. Pools of dried blood around the oval conference table mark the spots where the members of the Politburo of the ruling government party were shot on 13 January. There are spent cartridges on the floor and bullet holes in the walls. The windows have been smashed; the curtains are torn; the lamp above the chairman's place has been shattered but the bulb is still burning. There are empty tea glasses, coffee cups and ashtrays on the table along with a copy of the "14th of October" newspaper, published on that fateful day when the almost 2-week-long power struggle began in the capital of South Yemen and a new chapter in the often bloody history of Yemen was written. Thousands of people--there are estimates of up to 7,000 in Aden--are said to have perished in the hours and days that followed. Many were first tortured and suffered a horrible death.

In front of the white, one-story building with the green-and-red window frames there still stands the dust-covered, German-made limousine which played such an important part in the massacre on the first floor according to the official version of events. Shortly before 10 am on that 13th of January, the official car of the since deposed chief of state and party leader Ali Nasir Muhammad drove into the courtyard in front of the building which is part of the walled-in, heavily guarded party headquarters in the Tawahi section of the capital. But the president was not sitting in the curtained-off back of the car. The representative of the ministry of information who is acting as our guide tells us that this was meant to mislead the members of the Politburo arriving to take part in the scheduled meeting. To make the deception complete, the president's chief body guard carried the latter's briefcase and a thermos bottle filled with tea into the conference room as usual. The members of the Politburo who were beginning to gather in the conference room assumed that their chairman was in his office next door.

In his stead the bodyguard entered the room once more--this time with a submachine gun in his hand--and shot Vice President Ali Ahmad Nasir Antar, who had been standing at his place to the right of the president's seat. This is the way our official guide describes the start of the massacre to us--which is not without precedent in the history of the Near East. In the course of this no doubt precisely planned and well-prepared blood bath three more of the president's opponents were killed: Abdal Fatah Ismail, Ali Shai Hadi and Salih Muslih Qasim, who shot and killed the president's body guard before he himself succumbed. Other body guards of the Politburo members forced their way into the room and started firing at each other. The gun battle spread to other rooms of the building and more people were killed and wounded. Ali Salim al Baid, who was appointed to the post of general secretary of the central committee and the Politburo of the ruling party by the new regime and thus occupies the highest position in the country under domestic protocol, was able to escape into an adjoining room together with Abdal Fattah Ismail and suffered only minor injuries. When asked about Ismail's death, which was not officially confirmed until rather late, our guide refers us to higher-ranking officials and promises to arrange interviews with them. In the courtyard of the building he then proceeds to show us the spot where 16 more opponents of the deposed president were shot later that same morning.

According to the official coup version, the president himself had left the capital city of Aden and gone to his home province of Abjan in the north of the country to await the outcome of the struggle there. It is said that he was accompanied by Abu Bakr Bathit, Anis Hassan Jahja and Abdal Ghani Abdal Qadir, all Politburo members loyal to him. According to foreign observers in Aden, the fact that none of the deposed president's supporters were killed in the massacre at party headquarters speaks for the accuracy of the official version of the events. Ali Nasir Muhammad is said to have moved his own family from the capital 3 days earlier. His private residence located on a hill above the party headquarters is undamaged; at least no bullet holes can be seen from the outside. No one is permitted to enter the premises. By contrast the residences of Abdal Fattah Ismail on another hill in the Tawahi district of the capital and of Ali Shai Hadi, several hundred meters away on the seashore, were quite obviously taken under direct artillery fire and destroyed--at a time when the owners had presumably already been killed at party headquarters. We were also shown a spot above the party headquarters where 18 actual or presumed opponents of the deposed president were first kept prisoner and then shot.

#### Demonstrative Opening of the Country

The new rulers charge the deposed president with having "conspired" to remove his opponents by violent means. These opponents are said to have tried to restrict the "deviationist, power-mad" president's powers and to lead him back to the right course. Did he perhaps steal a march on his opponents by starting the bloody coup which ultimately cost him his poli-

tical life. This is a question which seasoned foreign observers are asking as they point to other bloody changes of government in Yemen's recent past. The spot where "the tragic events began" will be left in its present state for another month or two so that it can be shown to domestic and foreign visitors. On the day we were there, a delivery truck had parked in front of the building. Pasted onto the sides of the truck were photographs of the four "martyrs" of the massacre: Abdal Fattah Ismail, Ali Ahmad Nasir Antar, Ali Shai Hadi and Salih Muslih Qasim. Their photographs can also be seen elsewhere, on the walls of houses and on passenger cars.

In the view of local and foreign observers, the capital city of Aden has recovered surprisingly fast from the violent street battles between supporters and opponents of the deposed president which took place in the aftermath of the massacre at party headquarters. In the Tawahi, Mala and Churmaksar districts, where most of the fighting took place, many buildings still bear traces of the battles. The walls are pockmarked with holes; apartments have been burned out; windows were smashed; in some instances only the retaining walls of buildings have been left standing. A number of burned-out vehicles have been left standing by the roadside. The traces of the fighting have long since been removed from the roads themselves. One foreigner who has been living in Aden for 4 years says that he cannot remember ever having seen the city this clean and well-tended. The Yemenis have started repairing the damaged buildings, i.e. those which were not totally destroyed, with unexpected zeal. A crane is parked in front of one building; scaffolding has been put up in front of another and workers are busily patching up holes in the walls. Compared to Beirut where opposing militias have been firing at each other, sometimes over and over in the same parts of the city, for almost 11 years now and have turned most buildings into ruins, the damage from the fighting in Aden seems almost minimal. The actual extent of the fighting and the high toll in human life in just a few days can only be gleaned from the reports of eye-witnesses.

The embassy of the FRG, which was heavily damaged in the fighting, is located in Churmaksar district, one of the focal points of the battles. Shells which hit the roof and the first floor of the building did extensive damage to the ambassador's living quarters. When the fighting began, the ambassador, his wife and two small children withdrew to a room on the ground floor which seemed safest and held out there along with other foreign nationals until they were evacuated on 16 January. A large number of other buildings in this area was also hit. For this reason, the theory that the embassy might have been singled out is discounted--the more so since there is a troop barracks located directly across from it, which apparently became involved in the fighting. According to reports by foreign nationals, the opposing factions of the army never fired point-blank at foreigners but were in fact making every effort not to involve them in the fighting. In the absence of embassy personnel, members of one of the fighting factions broke into the embassy and ransacked the premises. A representative of the [FRG] foreign office, who had previously been stationed at

the Aden embassy for several years, arrived in Aden on 8 February and has since cleaned up the ransacked rooms and initiated repair work on the building. The German ambassador accredited to South Yemen has his residence in Sanaa, the capital of North Yemen. No German diplomat has as yet come to Aden to establish political contact with the new state and party leadership.

Since the change of government, travel to South Yemen for journalists has become easier. In years past, their visa applications were turned down as a rule. Now, after a mere 24-hour wait, an entry permit valid for 30 days is issued free of charge and upon arrival at the Aden airport a 3-month residence permit is stamped into the passport without asking. Passport and customs formalities are handled quickly and without incident--in contrast to the lengthy searches to which travelers sometimes had to submit in the past, as seasoned foreign observers remember. A member of the editorial staff of the newspaper 14TH OF OCTOBER has been given the job by the information ministry of assisting foreign journalists and is at pains to fill all requests for interviews and visits. The country, which had largely been sealed off up to now, appears intent on improving its image in the West under the new leadership. As of the moment, it is unclear how far this demonstrative opening of the socialist-oriented country which thus far has been collaborating closely with the Soviet Union and the other socialist countries will go in the political realm.

9478  
CSO: 4620/33

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

ROLE OF AL-'ATTAS IN ADEN COUP ANALYZED

London AL-TADAMUN in Arabic 1-7 Feb 86 pp 10-11

[Article: "'Mamluke Massacre' Unleashed War of Comrades, Al-'Attas Nomination Aimed at Reassuring Neighbors"]

[Text] One account said that 'Ali Nasir wanted to "beat his adversaries for lunch" before they "ate him for dinner" and that Haydar Abu Bakr al'Attas may be the permanent and not just the temporary replacement.

Among a large number of accounts coming in about events in Aden, AL-TADAMUN listened to some Yemenis living abroad relate with some confidence what happened in Yemen. AL-TADAMUN summarizes below, with great reservation, some of the accounts it heard from those circles who, by virtue of their business abroad, maintain ties with and remain close to the Yemeni scene. We say "with great reservation" because the matter that unleashed the "war of comrades" needs some time to be totally revealed.

One of the first accounts to come out of South Yemen about the events that led to the outbreak of war among the ruling group in Aden was one that said that 'Ali 'Antar, vice-president of 'Ali Nasir Muhammad, was the first to draw his gun and fire at 'Ali Nasir, thus causing utter confusion which prompted the presidential guard to intervene and threw the country into the whirlpool of a bloody struggle. Accounts AL-TADAMUN heard from Yemeni circles in a non-Arab capital, who insisted on anonymity, point to what these circles described as a "new Mamluke massacre" masterminded and engineered by President 'Ali Nasir Muhammad himself as the cause of the bloody events there.

This account goes on to say that "the massacre which--according to the same circles--was carried out by Ahmad Musa'id, a politburo member loyal to President 'Ali Nasir, and Muhammad 'Ali Ahmad, a relative of Nasir and governor of Abyan Governorate, the home of these two persons, began by calling the Politburo to a 10 am meeting on 13 January 1986 at the YSP headquarters in aden where politburo members began arriving with their dossiers, expecting to discuss problems related to development and political reform. President 'Ali Nasir Muhammad's car was parked in front of the building's entrance and the president's special guards carried his personal attache case, in view of the building guards and some politburo members, to the

meeting hall, thus suggesting that the president was in the building in one of the halls. Meanwhile, armed 'Ali Nasir followers, bearing a combat order to fire at anyone leaving the building upon hearing the sound of bullets inside the party headquarters, fanned out on the roofs of adjacent buildings, most of which housed government offices. In the meantime, some of the participants noticed the absence of all the president's politburo proteges, which seemed strange at first, but thought it a mere coincidence since all suggestions pointed to the president's presence inside the building."

The account goes on to say "it was a few minutes after 10 am when the doors of the meeting hall were opened and a group of armed guards, belonging to President 'Ali Nasir Muhammad, entered and began firing indiscriminately at the people in the hall. When these shots were heard, government employees in adjacent buildings went out to see what was happening and came under fire from the roofs of these buildings, which led to the death or injury of scores of them. Meanwhile, other groups at various popular and official centers were arranging imaginary meeting by party bodies belonging to the 'Abd-al-Fattah Isma'il group. Some of these meetings occurred at a number of locations, including the military academy, the Ministry of Defense, and party headquarters in neighboring areas and quarters where the same scenario was repeated, causing the death of 500 to 700 members of the party and government political and educated cadres."

The account concluded that "'Ali Nasir Muhammad's followers arranged to evacuate their families from Aden to Abyan Governorate to get them away from the possible struggle. Moreover, the date of the massacre was arranged while Prime Minister Haydar Abu Bakr al-'Attas and Foreign Minister 'Abd-al-'Aziz al-Dali, both members of the politburo, were out of the country, thus suggesting that 'Ali Nasir Muhammad did not wish to provoke the heavily-populated Hadramawt area, the home of the prime minister."

#### Conflict and Disagreement

But a persistent question remains: Why did the events occur and where does the essence of the conflict between the two sides lie? These same circles say in explaining what happened that "President 'Ali Nasir Muhammad is undoubtedly a good-hearted man who has benefitted from his 15 years of experience in government. However, he began following a policy of containment and intervention to remain in power. It was the evil entourage that suggested to him the existence of a tendency to diminish his powers, limit his authority, and alienate him from the party cadres, especially since 'Abd-al-Fattah Isma'il had left Aden in 1979 by decision of the party's politburo as well without any bloody battles. Hence, it appears that 'Ali Nasir Muhammad's entourage succeeded in convincing him that his future was in great danger and, therefore, he should struggle to prevent the other sides from sharing power, a situation which had led to the politburo's failure to convene since its election during the third party convention in November 1985."

The same circles added that "talk about radical wings and moderate wings in democratic Yemen is not accurate and must not be the focus of attention for the moderation manifested in the policy of Democratic Yemen during the

last 5 years was the decision of the party and all its organizations, and not the individual policy of 'Ali Muhammad. Hence the conflict was not an ideological party difference, but rather a disagreement over sharing power. When 'Abd-al-Fattah Isma'il was party secretary general and president of the presidential council, many officials asked him to abdicate one of these two positions, but he insisted on getting another position, that of prime minister. It happened that Isma'il threatened to resign if he did not get the three positions, so he was told to resign and he did. During that time, some groups, which are currently sympathetic to 'Abd-al-Fattah Isma'il, used to sympathize with 'Ali Nasir Muhammad, including, for example, politburo members 'Ali Salim al-Bayd and 'Ali Shayi' Hadi. 'Ali Nasir Muhammad was elected president of the country and party secretary general while retaining his position as prime minister as well."

These circles go on to say that, following years of struggle and pressure, alliances shifted because many people did not want any one person to fill the three positions. Years of voluntary exile had taught 'Abd-al-Fattah Isma'il to accept this tendency. When 'Abd-al-Fattah Isma'il returned to Aden, he formed an alliance with the aforesaid sides with a view to distributing the three key positions. When 'Ali Nasir Muhammad sensed that these alliances were gaining power, he gave up the premiership, which Haydar Abu Bakr al-'Attas, a native of Hadramawt, assumed. 'Ali Nasir Muhammad, after years of struggle, refused to resign his position as secretary general or president as he was asked to do for fear of meeting the same fate as Salim Rubayyi 'Ali when he was given the presidency only, thus facilitating his demise after a period of time. As for the policy of moderation which marked the regime of 'Ali Nasir Muhammad, it was promoted and blessed by the Soviet Union, the only financier of Democratic Yemen for development and armament programs. Likewise, 'Abd-al-Fattah Isma'il's return was not, in any respect, the result of Soviet pressures or of political knee-jerking within Yemeni organizations. Rather it came about as a result of a collective politburo decision which no one opposed. Recent allies of 'Abd-al-Fattah wanted him to resume his position as party secretary general, a move rejected by 'Ali Nasir. The Soviets viewed the problem as an internal affair best left alone. Nonetheless, Moscow was surprised by the turn of events in Aden during the fighting. This view was borne out by the fact that the Soviet Union did not take sides since both parties belonged to the same ideological tendency and the conflict was over the division of leadership positions. This is supported by the fact that the Soviet Union did not receive Prime Minister Haydar Abu Bakr al-'Attas officially. Neither President Andrei Gromyko nor party Secretary General Gorbachev met with him so as not to give the impression that the Soviet Union supported one side against the other.

Why al-'Attas?

Concerning Haydar al-'Attas' nomination as a temporary replacement, these same circles said the following:

"There is no doubt that the decision adopted by the politburo on Friday, 24 January 1986, to appoint Haydar Abu Bakr al-'Attas president of the

country for a transitional period until the politburo elects a new president points to a trend within Yemen to settle matters rationally, following the state of severe madness, especially since al-'Attas is considered to be one of the erudite and composed groups trying to reconcile the conflicting parties. He is considered acceptable to both North and South Yemen as well as to neighboring countries. He is also considered to be experienced in affairs of state since he is the oldest minister in Democratic Yemen. He was minister of planning and development 15 years ago and is a Hadramawt leader. He joined the National Front during the struggle against colonialism and he comes from a large, well-to-do family spread out over Saudi Arabia and other Gulf countries. Furthermore, he does not owe any favors to any side and is known not so much as a radical or amoderate, but rather as a technocrat. Many believe that he will be elected to the presidency when the politburo and the executive committe meet in the next 2 weeks."

These circles concluded that "al-'Attas' nomination was aimed at reassuring the neighbors that South Yemen will not pursue a rigid Marxist course. Rather, the heavy losses suffered at the party cadre level will indeed lead to the rise of second and third line cadres to the party leadership, something that calls for a re-evaluation of the political and economic situation in keeping with existing circumstances and the situation in the region."

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CSO: 4404/235

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

ADEN'S EMBASSY IN UAE ACCUSED OF ESPIONAGE

Cairo AL-WAHDAH in Arabic 15 Dec 85 p 10

[Article: "Aden's Embassy in UAE a Spy Nest"; Cairo AL-WAHDAH in Arabic; monthly organ of the National Grouping of Patriotic Forces in the Yemeni South]

[Text] AL-WAHDAH has received information to the effect that Aden's embassy in the UAE has been turned into a nest of espionage after being recently supplied with a number of elements from the Revolutionary Security Agency [RSA] under diplomatic cover. Furthermore, a number of these spies have been assigned to the offices of the Yemeni Airline Company in Abu Dhabi and al-Shariqah.

AL-WAHDAH's own information says that instructions have been issued to the South Yemeni ambassador to Abu Dhabi, Ahmad 'Awad Haydarah, a member of the RSA, to concentrate his diplomatic and ideological activities on Abu Dhabi, Ra's al-Khaymah, Dubayy and al-Shariqah.

This information notes the presence of a network of agents in Dubayy, extending to Ra's al-Khaymah, which is undertaking espionage activities and information-gathering from the UAE and the Sultanate of Oman. This network has been charged with spreading rumors and collecting information about the armed forces and economic conditions in the UAE. Moreover, information received by AL-WAHDAH mentioned that the embassy was involved in unusual activity among Gulf citizens for the purpose of using them to form underground political cells within their ranks. The embassy is seeking the help of some groups belonging to the Popular Front for the Liberation of Oman, some of which are in Dubayy and Ra's al-Khaymah.

12502/9190  
CSO: 4404/236

YEMEN ARAB REPUBLIC

MUHAMMAD SALIH EXTOLLED FOR IMPROVING SECURITY SERVICES

Sanaa AL-RA'Y AL-'AMM in Arabic 9 Dec 85 p 2

[Article by Major 'Ali Ya'qub: "Central Security, Between Yesterday and Today"]

[Text] Among the key units in our armed and security forces are the Central Security units that were created early at the dawn of the immortal September revolution in realization of the second objective of the glorious 26 September revolution. Ever since their creation, these units have been making rapid strides in an endeavor to reach the aspired goal, attain perfection in the fields of law and order, spread stability, and perform the great task assigned them. Indeed, they have achieved this at the hands of Lieutenant Colonel Muhammad 'Abdallah Salih since, during the regime of the pioneer of democracy, the leader of the march and the upholder of the revolution's principles, His Excellency Lt Col 'Ali 'Abdallah Salih, president of the republic, commander-in-chief and secretary general, he was appointed commander of these Central security units. He gave them of his great self and led them in rapid steps to their present state of development which is in step with modern military buildup, be it from the standpoint of numbers, expansion, or the introduction of modern weapons and the intensification of military and security training for their personnel.

Lt Col Muhammad 'Abdallah Salih, deputy minister of the interior, commander of the Central Security units and member of the permanent committee, has given these units a great push forward. He has molded them in their complete, perfect shape, qualitatively and quantitatively. They have attained their goal today at the hands of our audacious leader, Lt Col Muhammad 'Abdallah Salih, the deputy minister of the interior and member of the permanent committee, who works in silence and does not begrudge any time and thought for developing them and expanding their field bases to include the governorates as the loyal guardians of this nation's security who can provide stability and peace of mind for our people. Instead of being confined to the capital, Sanaa, they are present in all the republic's governorates, areas, and borders. Military groups of elite security forces began graduating from their training centers, one group after another, Look at them today, opening their arms to this nation's youth, high school, and college graduates, to train and fully

prepare them militarily during their national defense service in accordance with that wise, blessed decision which has had good visible effects on our own children and our entire people and has broken the heavy psychological barrier between the people and their military and security forces. Yemen needs qualified people who work in silence, like the deputy interior minister, commander of the central security units and member of the permanent committee, who does not waver for one moment in developing public security and Central Security units which he commands personally to raise them to the ranks of modern security units and armed forces. He has introduced to these units palpable development from the standpoint of modern sophisticated weapons, the establishment of training centers and the drawing up of national plans to build up the central security force and train it at all scientific, military, athletic, and security levels. He has set up training centers in a large number of governorates which are turning out graduates from al-Hudaydah and Ta'izz, in addition to groups graduating from training centers in Sanaa and the rest of the governorates.

All this is the greatest proof of the colossal efforts the deputy interior minister, the commander of the central security units, and member of the permanent committee is making to strengthen and fortify the lairs of the central security lions and their daring personnel.

Moreover, the presence of Central Security units in all areas of the country is proof of the high level and great efficiency these units have attained. We, along with all the members of the armed and public security forces and the central units, salute you and express our respect and appreciation, wishing you success in realizing the noble goals of our immortal revolution under the leadership of Leader and President Lt Col 'Ali 'Abdallah Salih, president of the republic and commander-in-chief of the armed forces, who has led our people on the road of progress and development, has granted them honor and dignity and has united their armed and security forces, giving them unlimited support that has enabled them to achieve their present level of combat efficiency and modern armament, thus putting them in step with the modern armies of the world. So congratulations to our armed and security forces, the armor of the revolution, the fortress of the nation, and the protectors of the people.

12503/9190  
CSO: 4404/236

YEMEN ARAB REPUBLIC

PRESIDENT STRESSES VITAL ROLE OF MILITARY SCHOOLS

Sanaa AL-RA'Y AL-'AMM in Arabic 23 Dec 85 pp 1, 5

[Excerpt: "President in Important Speech During Military Graduation Ceremonies: 'There Were Pressures to Shut Down Military Academies and Institutes'"]

[Text] The secretary general of the general people's conference, President and Leader 'Ali 'Abdallah Salih, attended the great graduation ceremony for a number of new groups from military schools and institutes. The president and leader gave an important patriotic speech in which he outlined the foundations for a comprehensive development process and dealt with a large number of issues and new developments in our Arab arena.

The president said:

"We, dear brothers, are implementing all the decisions and plans that have been announced. On the 23rd anniversary of the glorious 26 September Revolution, we declared that the year 1985/86 was the year for training and educating cadres at all levels, at home and abroad. The rebuilding of schools and the establishment of institutes and training centers are but an effort to apply the slogan raised by the armed and security forces."

In his speech, the president touched on the past conditions of military schools and institutes, recalling those attempts and designs aimed at shutting down colleges following the shutting down of a large number of military schools and the pretext of having a sufficient number of armed forces and security officers. He reaffirmed that those attempts were aimed at finishing the armed and security forces.

The president went on to say: "However, thanks to sincere efforts and patriotic revolutionary elements within the armed and security forces and outside them, all these traitorous designs have been resisted. We have directed our attention to the reconstruction of the armed and security forces in a modern and scientific way in keeping with the givens of our time. Look at all the results of these efforts being felt by our people. Not one month or week passes without celebrating the graduation of new groups, be it at the level of the military schools and institutes or of cadres from combat units to bring the armed forces up to the desired standard."

The president emphasized that the building of the armed and security forces is a national necessity decreed by the progress and development our country is experiencing in all the various fields, pointing out that this national institute, which has made a compact with God and the country, will be the loyal guardian who will preserve the sovereignty and independence of the country, the principles of the revolution, and the freedoms of the masses, and will safeguard the democratic course our people are experiencing. He added that this institute will remain a symbol of obedience, comportment, and discipline, and a strong armor for the protection of the development process. It will also remain the school that teaches others discipline, obedience, and preservation of the public right.

12502/9190  
CSO: 4404/236

AFGHANISTAN

JALALLABAD IRRIGATION COMPLEX 'ESSENTIAL' TO ECONOMY

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 19 Dec 85 pp 1, 3

[Text] The Irrigation Complex of Jalallabad is one of the important agricultural government sectors which plays a major role in the national economy of Afghanistan.

The valley of Nangarhar is the only subtropical region which is suitable for groves of olive and citrus fruits. In agriculture, which forms a major part of the national economy, it is necessary to have a healthy and regular organization in all the areas of agricultural production and its primary and higher production levels. With a view to this fact, all the affairs, particularly those of agricultural production, are carried out in a preplanned form in the Irrigation Complex of Jalallabad.

With due consideration to various climatic conditions in different regions of the Democratic Republic of Afghanistan, a different circumstance or situation prevails as far as agriculture is concerned. As a result of the existing mountainous region, arid and dry deserts, a lack of sufficient water, proper use of mechanized agriculture and the prevalence of the old feudal system, our agricultural production industry was faced with some problems.

Nearly, 90 percent of the population of this country is involved in agriculture. The statistics indicate that there are about 37.9 million hectares of land suitable for agriculture throughout the country. The total cultivable area for seed crops is about eight million hectares of which merely 3.9 million hectares are utilized annually and of the latter figure close to 2.6 million hectares are under the cultivation system of dry farming. The main reason for a lack of the agricultural sector's growth in the country was the prevalence of the old feudal system. For instance, about 35,000 families held or owned 1.2 million hectares of cultivable land, that is 2.9 percent of the total population owned about 29 percent of the agricultural and farming lands throughout the nation.

In enhancing the irrigation situation, the Jalallabad Irrigation Complex has played a major role. The first phase of the construction of this complex, under the supervision of the Ministry of Public Works of the time, was completed in four years with the economic and technical assistance of the friendly nation of the USSR. This project consists of government mechanized agricultural farms, stock breeding, citrus fruits and olive groves and some forests. Certain areas have been assigned for the cultivation of wheat, barley, cereals, and vegetables, while some portion has been designated for reforestation and a few warehouses have been built for storing agricultural products.

The major part of the construction of the Irrigation Complex of Jalallabad, which irrigates 31,181 hectares of land, was completed in 1965 and became operational. It was in 1963, before the completion of work on this project that an agreement was signed between Afghanistan and the friendly country of the USSR and thereby the Soviet Union undertook to continue its technical assistance in 1963, 1964 and 1965. As a result of the above-stated agreement, four government farms were created on 10,000 hectares of land, and 24,000 hectares of land were prepared for cultivation. On July 28, 1965 the aforementioned agreement was revised by the friendly country of the USSR. Thereafter, on May 12, 1965 agreement number 8226 was signed in which the two government farms of Hadeh and Ghaziabad, with an initial area of 6,000 hectares of land which was increased to 17,900 hectares of irrigable land, were included in the said agreement. In 1965, both the construction workers and farm technicians began to work on the farm of Ghaziabad and extended their technical assistance to farmers in order to familiarize them with the use of agricultural machinery and equipment. Furthermore, they helped the farmers learn the effective method for fertilizer application, in enhancing or increasing the level of agricultural products, in raising and breeding animals and improving or increasing the output of milk-producing cows.

The construction of Hadeh farm began in 1346 [21 March 1967 - 20 March 1968]. The necessary building materials and farm machinery was brought from the friendly country of the USSR and work was started by the pertinent specialists from the Soviet Union. In the Irrigation Complex of Jalallabad particular attention was given to increasing farm products, creating citrus fruits and olive groves, and constructing cattle breeding and vegetable farms.

Before the construction of the Jalallabad Irrigation Complex, a suitable climatic condition did not exist for tree plantations in the Nangarhar valley. Because of the existence of vast scorching deserts there were no trees on thousands and thousands of kilometers of land. Under such circumstances, there was no proper living and growing conditions for men, animals and plants on such vast deserts. For instance, because of a lack of water and prevalence of hot, dry and gusty winds thirty years ago there was not even a single tree in this region. Most of the land which had been cultivated by the farmers lost their product to these hot, dry and gusty winds.

In 1344 [21 March 1965 - 20 March 1966] plantation of 300,000 saplings was started. Thereafter, the project for plantation, training and multiplication or off-shoot augmentation of citrus and olive trees began. There is a significant output from these citrus and olive groves. It was for this reason that 50 percent of the land was designated to subtropical plants.

According to the projected plan, at the present time there are 2,093 hectares of land designated to citrus fruit groves and 3,063 hectares to olive groves in the Jalallabad Irrigation Complex project. In 1344 an experimental citrus farm on 3,000 hectares of land was created and during the same year a hothouse

for experiments with vegetable seeds and seven arbors or shade-providing structures on 2,000 square meters of land was constructed in order to grow olive saplings. This was the first mechanized government farm in Afghanistan where domestic specialists began to work on the project.

The regular water channel of this project has a capacity to irrigate 31,000 hectares of land. At the present time, about 25,000 hectares are irrigated. Fourteen thousand hectares of this last figure belong to the private sector's land [that is, farmers and other land owners], and about 15,000 hectares of land belong to four mechanized farms which were built with the technical and economic assistance of the friendly nation of the USSR. We introduce each of these projects hereunder, separately.

#### Mechanized Farm of Hadeh

The construction work on the above-stated farm began in 1346 [21 March 1967 - 20 March 1968] and was finished in 1349 [21 March 1970 - 20 March 1971]. The total area of citrus and olive groves comprise 1,544 hectares of land of which 705 hectares belong to citrus groves and 839 hectares olive groves which are fully matured and bear fruit. There are 41 duplex residential homes equipped with all the necessary amenities in the aforementioned farm. Moreover, there are 47 apartment units, one club which has 50 beds for guests, a restaurant and a silo plant which has a capacity for making three tons of bread in a 24 hour period, a mosque, a hospital, a public bath and some sports facilities such as exercise fields, etc. Moreover, the aforesaid farm has an experimental farm for the purpose of carrying out experiments on sapling growth with a total area of 44 hectares of land which produces about 80,000 olive saplings and 80,000 of other types of olive-related or ornamental saplings to meet the needs of the project and the respected people of Nangarhar and other inhabitants of our dear country and they are sold at very reasonable prices to the people.

#### Government Mechanized Farm of Ghaziabad

The construction work on this farm with an area of 3,062 hectares of land began at the end of 1344 [20 February - 20 March 1966] and it was completed by 1346. The total area of olive and citrus fruit trees comprise 1,667 hectares of which 1,236 hectares belong to citrus and 431 hectares to olive groves which are all fully mature and bear fruit. There are 11 two-story residential buildings which house 24 families and 150 unmarried individuals, 64 residential homes are equipped with all the conveniences for 128 families, a restaurant, a movie house which seats 600, a silo plant which has the capacity to make three tons of bread in a 24-hour period, a hospital with 30 beds, a shcool for 700 students and some sports facilities. There are also cattle-breeding farm with equipped technical workshop and fruit sorting and packaging plant. The Ghaziabad farm has an experimental farm with 27 hectares of land which can produce 180,000 saplings of citrus fruits and 20,000 of other kinds of ornamental and olive-related saplings for sale to the honorable people of Nangarhar or other provinces of the country.

#### Government's No. 2 Mechanized Farm

The construction work on this farm with an area of 2,420 hectares began at the end of 1346 [20 February - 20 March 1968] and was completed by 1352 [21 March 1973 - 20 March 1974]. The total area of olive and citrus fruit groves of the above-stated farm is about 1,000 hectares of land of which 980 hectares belong to olive and 20 hectares to citrus fruit groves. From the total area of olive groves about 200 hectares have so far become fully mature and bear fruit. In the aforesaid farm there is residential housing for 47 families, a club, a health clinic, a fully equipped repair workshop and also a newly constructed school building for 300 students which will be officially inaugurated shortly in honor of the 20th anniversary of the project.

#### Government's No. 4 Mechanized Farm

The construction work on this farm with an area of 1,517 hectares of land began in 1352 and it was completed in the same year. The total area of olive and citrus fruit groves of this farm comprise 1,010 hectares of land of which 23 hectares belong to citrus fruit and 987 hectares of olive groves. Of the latter figure about 267 hectares of olive trees are completely mature and bear fruit. In the aforementioned farm there are residential units equipped with all the necessary amenities, a movie house which seats 400 and an equipped repair workshop.

At the present time, the total area of citrus fruits and olive groves of the Jalallabad Irrigation Complex is about 5,156 hectares of land of which 3,063 hectares belong to olive and another 2,093 hectares belong to citrus fruit groves. Furthermore, there is another 2,000 hectares of land which is used for the cultivation of wheat, barley or growing vegetables and other types of foodstuffs for the animal farms.

In helping to change our desert into plush green land and to successfully implement the projected plans side by side with the Afghan workers and other government employees, the specialists from the friendly government of the Soviet Union have played a noteworthy role in carrying out their international duties and honest tasks.

From the establishment of the project until 1364 [21 March 1985 - 20 March 1986] a total of 51,000 tons of citrus fruits and 12,000 tons of canned fruits and olives with a total value of \$25,000 have been exported to the Soviet Union. From the 2,000 hectares of land, which is designated to the cultivation of seeds for fodder and various other vegetables, about 800-900 hectares have been assigned to the cultivation of improved crop seeds of wheat and barley, of which nearly 1,000 tons is annually delivered to the respected department of improved crop seeds so that it can be put at the disposal of the farmers at reasonable prices. To this end, during current year 1,000 tons of improved crop seeds will be delivered to the above-stated department which is still continuing deliveries. Usually, various types of crop seeds are cultivated in the aforementioned project.

In the remaining area other types of fodder such as clover, hay and oats are cultivated in order to make sure that fresh feed is provided for the animals. In addition to the fresh fodder, on a daily basis about 10-30 tons of cattle fodder is produced for the winter-time when there is no fresh feed available. Moreover, in the project sufficient area of land has been designated for growing vegetables such as potatoes, turnips, carrots, radishes, garlic, cucumbers, watermelon, tomatoes and eggplants, okra, marjoram, onions and other kinds of vegetables. The above-stated products are put at the disposal of friendship stores in order to make them available to the respected inhabitants of Jalallabad at reasonable prices.

So as to make full use of the production capacity of the Jalallabad Canning Factory throughout the year the said factory cans a large quantity of vegetables with due consideration to quality and through the friendship stores makes them available for sale to other stores in Jalallabad and Kabul cities. For instance, so far in 1364 about 150,000 bottles of 0.65 litre of tomatoe joice, marjoram and other kinds of vegetables have been prepared which are ready for distribution and sale.

Despite complex and complicated political and military difficulties because of the comprehensive cooperation of the responsible government and party officials of the DRA of the Nangarhar Province as a result of defeating the counterrevolutionaries, as of the beginning of 1364 security has been restored to this region and positive and noteworthy changes have taken place. At present, unreserved and sweeping measures have been made to revive and restore all the citrus fruit and olive groves which had been destroyed as a result of the traitorous acts of the counterrevolutionaries. In all the government farms the project of restoration, revivification and construction of new olive and citrus fruit goves are underway. In order to protect the plants and trees from harmful insects, various scientific methods of plant protection are being utilized.

Hereby, the employees of this project plege their words to the Central Committee of the PDPA, the Political Bureau of the PDPA Central Committee and to the dear person, the leader of the party and the people of our beloved country, comrade Babrak Karmal that they will not stop their sincere struggle and efforts to eliminate the existing shortcomings and insufficiencies until the last breath.

12719

CSO: 4665/29

BANGLADESH

PAPERS EXCHANGED ON JAPANESE GRANT FOR DEBT RELIEF

Dhaka THE NEW NATION in English 25 Feb 86 pp 1, 12

[Text]

Japan will provide Bangladesh with the grant assistance of 3.336 billion yen (approx. Tk 52.80 crore) as debt relief and construction of foodgrain store houses under two 'exchange of notes' signed between the two governments here, yesterday, reports BSS.

Of the total grant assistance yen 2.80 billion (approx Tk.44.80 crore) will be available for debt relief to Bangladesh and yen 536 million (approx. Tk 8 crore) will be utilised for construction of food storage godowns at Boyra Khulna according to the External Resources Division here.

The exchange of notes were signed by Mr. M. Akhter Ali, Joint Secretary, ERD of the Finance Ministry, and the Japanese ambassador in Bangladesh, Mr. Yoshitomo Tanaka.

The Debt Relief Grant of Yen 2.80 billion will be utilized for procurement of various items agreed upon between the two Governments. The Grant assistance of Yen 536 million will

be utilised for construction of food storage by dismantling the existing decrepit godowns at Boyra CSD, Khulna. The first phase of the construction of the proposed 35,000 MT capacity food storage godowns is expected to be completed by the end of March 1987. The remaining cost of the construction of F S Godowns is expected to be borne entirely out of Japanese Grant assistance.

Japan is, at present, largest bilateral donor to Bangladesh on the basis of annual aid flow. She has maintained a steady level of aid to Bangladesh and with the signing of these two 'Exchange of Notes' the total Grant assistance extended by Japan to Bangladesh will amount to Y 102.78 billion (approximately Taka 1047.24 crores) since 1971. Japan has also extended loans to Bangladesh amounting to Y 264.005 billion (appx. Taka 2640.00 crores) since 1974.

/9274

CSO: 4600/1508

BANGLADESH

#### CONSULTATIVE COMMITTEE REVIEWS IMPORT OPERATIONS

Dhaka THE BANGLADESH OBSERVER in English 27 Feb 86 pp 1, 10

[Text] The import operations for the current fiscal year (1985-86) came up for a detailed review at the mid-year regular meeting of the Consultative Committee on import on Wednesday in Dhaka.

Representatives from various chambers noted with concern at the meeting that the import performance during the first seven months of the current fiscal year had recorded a substantial short fall due to procedural difficulties and non-availability of funds. They called for effective moves to arrange adequate funds waive the provision relating to compulsory imports under barter first, enhance the entitlement for imports of industrial raw materials under cash allocation and ensure exchange-rate stability.

Inaugurating the meeting, Commerce Minister Kazi Zafar Ahmed said that the non-availability of funds in requisite quantum from external sources and also domestic resource constraints were responsible for sluggish import operations so far in fiscal 1985-86. He stated that the import during the first seven months of the current financial year was less than that of the corresponding period last year. He pointed out that the export markets registered a shrinkage, making it difficult to finance import activities out of the country's own export earnings.

The Minister told the meeting that the realisation of the targets and objectives of the import policy was necessary to ensure an accelerated pace of overall national economic development. He assured the members of the consultative committee that discrepancies, if any in the way of implementation of the import policy, would be removed Import operations, he pointed out are connected with industrial growth performance and export promotion.

Addressing the meeting, Commerce Secretary Mr A. B. M. Golam Mostafa felt that the participants should reach a consensus on ways to help ensure better implementation of the import policy. He underlined the need for making sustained efforts to reduce the balance of trade gap.

Mr M. A. Kashem, President, Federation of Bangladesh Chambers of Commerce and Industry, said at the inaugural session of the meeting that the government should not give effect to any mid-year changes in the import policy after the same was announced at the beginning of the fiscal year. He suggested for formation of a representative committee to ensure fair distribution of goods like sugar and cement imported by Trading Corporation of Bangladesh (TCB). [Sentence as published]

BANGLADESH

TEXT OF ERSHAD MESSAGE TO NEW PHILIPPINES PRESIDENT

Dhaka THE BANGLADESH OBSERVER in English 27 Feb 86 pp 1, 10

[Text] President Hussain Mohammad Ershad on Wednesday extended 'Heartiest congratulations' to Madame Corazon C. Aquino on her assumption of the presidency of the Republic of the Philippines reports BSS.

In a message of felicitations President Ershad said that he very much looked forward to working with her closely [words indistinct] to the mutual benefit of the two peoples.

The following is the text of the message of president Ershad. 'On behalf of the government and people of Bangladesh and on my own behalf I extend our heartiest congratulations to you on your assumption of the office of the President of the Republic of the Philippines following the recent elections.

I very much look forward to working with you closely for widening our bilateral cooperation to the mutual benefit of our two peoples. I trust that the friendship and understanding that so happily exist between the Philippines and Bangladesh will be further strengthened in the years to come.

'I take this opportunity to convey the warm greetings of the people of Bangladesh to the friendly people of the Philippines.

Kindly Accept Excellency my best wishes for your good health happiness long life and success in your high office'.

/9274

CSO: 4600/1511

BANGLADESH

DEPARTING AMBASSADOR MEETS WITH ALGERIAN PRESIDENT

Dhaka THE BANGLADESH OBSERVER in English 27 Feb 86 pp 1, 12

[Text]

Mr. Manzoor Ahmed Chowdhury, who was Bangladeshi Ambassador to Algeria until recently was received in audience by Algerian President Chaïli Benjedid at Algiers on the eve of his departure, according to a report received in Dhaka. Mr. Manzoor Ahmed Chowdhury has been removed from service under Martial Law Order No 9. He served as Bangladesh envoy to Algeria for only six months.

Algerian President who received Mr. Manzoor Ahmed Chowdhury in audience to bid him farewell said that the ambassador had contributed greatly to the improvement of Algeria-Bangladesh relations within this short period.

The President expressed the hope that his successor would continue efforts in the same directions. The President also said the ambassador would always be a welcome visitor to Algeria. He wished the Ambassador success and prosperity.

Thanking the fund of goodwill and friendship between the

people of Bangladesh and Algeria which was a strong foundation for brotherly ties between them the Algerian President hoped that the relations would continue to grow further.

Mr. Manzoor A. Choudhury said that the people of Bangladesh would be honoured to welcome the Algerian President in their country.

It may be mentioned that after several years of no trade between the two countries Ambassador Manzoor Choudhury during his six-month stay in Algeria had signed an agreement on January 19 last to export raw jute worth one million 89 thousand dollars from Bangladesh to Algeria after a long and hard negotiation.

Earlier the former ambassador and Mrs Nafissa Chowdhury were given an official farewell dinner by the Secretary General Ministry of Foreign Affairs and Madame Hamdani which was attended by senior officials and their wives.

/9274

CSO: 4600/1510

BANGLADESH

BRIEFS

MINISTER'S HOUSE STONED--A group of persons while returning from the grand rally of the 15-party Alliance demonstrated in front of the Dhanmondi residence of Anwar Zahid, State Minister for Information yesterday evening. They also threw stones at the Road No 3 (old) official residence of Mr Zahid. The stones damaged the window panes of the house. No other damage or injury to anyone was reported. The minister was at home during the incident. No arrest was made. [Text] [Dhaka THE NEW NATION in English 25 Feb 86 p 1] /9274

CSO: 4600/1509

IRAN

ARTICLE DETAILS SITUATION OF WOMEN

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 4 Jan 86

[Text] The domination of a dark despotic medieval era atmosphere over all walks of social life in our neighboring country of Iran has imposed harsh and agonizing living conditions on our friendly and brotherly nation. The effects of this torturous and despotic rule is particularly evident in the lives of the women. At a time when even the most reactionary imperialist circles of the world feel obligated to observe the principles and legal rights pertaining to women, the reactionary rulers of Iran are quite unconcerned and disregard the basic human rights and all international agreements regarding the proper observation of women's rights, and through the promulgation of backward rules and decrees, which are but remnants of the age of ignorance, have created an unbearable situation for Iranian women. The reactionary rulers of Iran, in imposing their backward and decadent thought on the lives of women, have gone so far as to deprive them of their simplest right, that is their right to choose what to wear. Without regard to their religion, ethnic background, their culture and tradition, they have imposed a special type of garment called "Islamic garb or veil" on women and have forced them to observe the rules. This is the kind of clothing which should be used even by very small girls. As a matter of fact, the Islamic garb is compulsory for children over four years of age.

These quasimilitary regulations are carried out in a very brutal and harsh manner. According to the ratified laws non-observance of the so-called Islamic veil or a mere piece of uncovered hair on a woman is considered an offense or misdemeanor which calls for flogging 74 times. In order to impose its backward views on women, the Iranian regime resorts to fascist methods. It organizes its thugs and hoodlums to patrol the streets in the name of the law and in defense of the religious initiators attack those women who have used the slightest make-up with razor blades and cut their cheeks and lips no matter if they are wearing Islamic garb or not. They even throw acid at the faces of women. These hoodlums and mercenaries ride around in special cars with strange labels such as "Patrol of Zahra'a sisters," "Guidance patrol," or "Patrol in charge of fighting religiously unlawful deeds" and arrest women and charge them with non-observance of the Islamic rules. They treat these women savagely and very contemptibly. They shave the hair of these arrested women and use scare tactics such as insects to frighten them. They flog them and there have been many cases when such women have been raped by the members of the Islamic revolution committees. As a result of the criminal acts of the agents of the regime until now several innocent women have either lost their mental balance and turned into lunatics or they have committed suicide.

According to the government circulars, which emphasize the observance of the Islamic garb, women have been deprived of basic mental peace and tranquility in the work place. For instance, en masse firing of women and depriving them of their social participation because of nonobservance of the imposed Islamic veil has become a kind of general and official policy of the regime. From the viewpoint of these unilluminated reactionary rulers, respect for the social stature and personality of women does not have any meaning at all. Officially, they promulgate such thoughts and ideas that degrade the stature of a woman and make her look like some half-witted and weaker creature. With each and every passing day they tend to further spread this thought that a woman is like a commodity for sale and nothing more and thereby they limit the social activity and participation of women.

The imposition of employment discriminations and imposition of limits on employment and educational opportunities for women, depriving and discouraging them from participating in sports and arts events are perfect examples of the policy of this reactionary regime which tends to make women stay home and act only as a housewife. For instance, in the work law of the regime, special guild rights of women such as relieving them of night shift work, disentitling them from jobs which require physical strength, curtailing their maternity leave, a lack of nurseries in the work place for women and depriving women from social security and other particular unionized organizations have all been completely disregarded.

The most ignominious act of the Iranian rulers regarding the social rights of women is the revivification of the primitive family laws pertaining to the pre-capitalists and feudalists' era. The legalization of several wives for a man and promulgation of contractual marriages [for a short period of time] by the leaders of the regime, both in deed and action have shaken the very foundation of the families in Iran and has fanned the flame of corruption and prostitution far and wide.

It is based on such out-dated views that Iranian women are deprived of all their political rights except that they can participate in elections and that is for a good reason, since as a deciding force and factor for consolidating the power of the government the rulers need such a resource for their own benefit. Not only do Iranian women do not have any right to partake in the destiny of Iran, but even if they make the slightest effort to acquire this very natural right or regain any other of their obvious rights they will most certainly have to face the harshest punishment by the judicial system of the regime. The despotic government of Iran does not differentiate between men or women when it comes to arresting, torturing or executing political activists. The Iranian prisons are full of women who are struggling for peace, democracy, independence and social justice. The criminal regime of Iran, in a matter of three years, namely from 1360 until 1363 [21 March 1981 - 20 March 1982 to 21 March 1984 - 20 March 1985] has executed more than 1,500 women. From among those who were sent to the gallows there were more than 26 teenage girls between 13-15 years of age, 20 pregnant women and 11 mothers and grandmothers between 50-70 years of age. Of the

total who were executed, 800 women were shot to death, 18 were hanged and 50 brave and courageous women were martyred under the torture of the regime's agents.

In the torture-chambers of the regime in addition to torturing the mothers to the point of death so as to force them to confess, the agents of the regime even torture the children of these mothers right in front of their eyes. They take away from the daily allowable food rations of the children and in winter time they do not provide enough clothing for the newly-born and as a result of seeing their mothers undergoing such excruciating and agonizing tortures, the children fall victims to mental disorders or derangements.

More or less all the news which leaks to the outside world from behind the prison walls of the Iranian regime indicate an imposition of immoral and inhuman torture of women which of course, all such filthy and odious acts take place supposedly under the pretext of religion or religious law. For instance, all the young and virgin girls who are sentenced to death, according to the laws of the religion which prohibits their death, are forced to marry one of the jailors the night before the execution. We have to add to all these criminal acts the bereavement of hundreds of thousands of Iranian mothers whose beloved children mercilessly fall victim to the war between Iran and Iraq.

Today, the progressive and developed world looks upon the painful and grievous fate of Iranian women with utmost grief and sympathy and it looks at all these crimes with anger and abhorrence, a kind of aversion and antipathy toward the reactionary leaders of Iran who have foolishly closed their eyes to the progressing and forward-looking movement of history and who have wasted the lives of hundreds of thousands of the martyrs of the Iranian revolution for their outdated, behind-the-times and reactionary thinking.

There is no doubt that our grieving and suffering Iranian sisters will never allow their destiny to be manipulated so tragically. At this moment, the very epics which they're creating throughout the country and in the prisons of the regime all attest to the validity of this fact. While we express our deepest sympathy and solidarity to the struggling Iranian women, hereby we announce our decisive support for their just and rightful struggles.

12719  
CSO: 4665/30

IRAN

NEW GUIDE FOR IDENTIFICATION OF LANDLORDS OF PREVIOUS REGIME

Tehran KEYHAN in Persian 31 Jan 86 p 2

[Text] The procedure was announced for investigating the bills of indictment and claims of all landowners for the identification of the refugees and those affiliated with the previous regime as well as those subject to the implemental law of Article 49 or those who make groundless claims.

This directive was issued today to all prosecutors' offices and courts throughout the country based on the decisions of the Supreme Judicial Council by Ayatollah Musavi-Ardabili, the chief justice and head of the Supreme Judicial Council.

In the name of the Almighty. Circular letter to justice departments and the independent prosecutor courts, revolution courts, judicial authorities and the central office.

Since it has been observed that following the submission of petitions and the investigations by the judicial authorities it becomes clear that the petitioner is a refugee, resides abroad, is affiliated with the previous regime or has ties with other groups which, as the fifth column, are engaged in spying and other activities in the interest of foreigners, or are in any other way subject to the current laws and regulations of the country and are subject to prosecution in the courts and by various judicial authorities, or that their property ownership is void or unclear, and because of the need to precisely implement the law for the implementation of Article 49 of the Constitution and other laws and regulations, for the protection of public property, the prevention of the use of the national resources to protect the interests of those who pursue personal greed without regard for the interests of the country and the revolution and a group who by making unfair claims engage in shaking the public morale and imposing pressure on our noble, patient people, in accordance with the ratification of the Supreme Judicial Council, the following issues are announced to the Justice Departments and the independent district courts.

A. Courts, their offices and the implemantal offices are responsible for enforcing the following regulations with regard to punishable claims and evictions before the petition is accepted and during the investigation and the implementation as the case may be.

#### First, Before Accepting a Petition

First, the identity of the petitioner must be verified by checking birth certificates with photographs, the local mobilization booklet and employment identification cards and the documents must be checked against the personal data of the petitioner (name, surname, alias, title, father's name, present occupation, place of residence, address of residence, address of work place, matching the face with the photograph). Second, the court office must obtain the following information from the petitioner, record his statements, have him sign it, and attach the document to the bill of indictment.

1. Name, surname, alias and title, father's name, present occupation, precise address of the work place and telephone number, address of place of residence and telephone number, and the permanent address must be verified and the following documents acquired and attached to the bill of indictment.

Birth certificate, employment identification card or retirement document or trade permit or commercial permit, as would apply, local mobilization booklet, ownership deed of the home or the lease.

2. Occupation before the revolution in the private and public sectors.

3. Occupation after the revolution in the private and public sectors.

4. Does the petitioner have one of the titles mentioned in the law for the procedures of the implementation of Article 49 of the Constitution.

5. Has the petitioner been prosecuted in one of the revolution prosecutors' offices and courts? If the answer is affirmative, what were the results? What is the case number?

6. Is the petitioner involved in another legal or penal lawsuit under investigation or being carried out in any legal form? What are their numbers?

7. What is the number of concluded legal and penal cases in which the petitioner has been involved and which have been concluded in the past three years?

8. Was the land in question endowed? Was it part of the royal family's private property? Did it belong to the government or the city halls? If the answer is affirmative, what is the situation now?

Note 1

If the petitioner is an attorney, the client must apply in person and take steps in accordance with this circular letter. Regardless of whether the petitioner makes a principle or an unexpected claim, it will be subject to these regulations. Third, after taking steps, acquiring and registering the identity, filling out the forms, obtaining information and attaching it to the claim, the office of the court brings the case to the attention of the head of the Justice Department (in Tehran, to the director general of the public courts and in the independent arbitration court, to its director) and will record it in accordance with his instructions.

The head of the Justice Department will issue instructions for registering and processing the case with consideration for the content of the claim and its addendum, if the situation of the petitioner does not seem to be a case warranting investigation in the offices of the revolution prosecutors.

After registering the case and determining the time, a verified photocopy of the petition and attached documents and minutes, which are prepared at the expense of the petitioner, must be sent to the local revolution prosecutor's office for investigation and for steps to be taken for the implementation of the procedures in Article 49 of the Constitution ratified in 1363 [21 March 19\*\*-20 March 19\*\*]. The official time must also be announced and the opinion of that authority declared as to whether or not investigation and implementation of the ruling in the petition made are permissible.

Fourthly, if the revolution court announces that investigation and implementation of the ruling are permissible, in accordance with the regulation, the court will begin investigation or implementation.

If the response of the revolution prosecutor's office is not obtained within the official period determined, the court will continue its investigation and determine a time. If it receives the response in the course of the investigation or the implementation of the ruling, it will act in accordance with the content of this circular letter.

Fifth, if the situation of the petitioner seems categorically to be a matter for prosecution in the revolution prosecutor's office, it will be reported to the prosecutor's office without being referred to the branch and without a time being set after obtaining the information and completing the petition, in which case, the opinion of that authority will be announced and steps will be taken accordingly.

Second, In the Investigation Stage

1. The courts are responsible for notifying the petitioner in current legal cases that he should make a personal appearance at the office of the court for the purpose of identification, completion of the petition and the attachments, and declaring the information mentioned in Paragraph 1.

2. If the petitioner appears at the court, steps must be taken in accordance with Paragraph 1, otherwise the case must be filed.

3. If during the investigation, regardless of whether steps are taken in accordance with Paragraph 1 or Paragraph 2, the revolution prosecutor's office issues a ruling to freeze, secure, repossess or confiscate the property in question or the property of the petitioner, the court will act in accordance with the opinion announced by the prosecutor's office. Such letters must be signed by the prosecutor and have the official seal of the local revolution prosecutor's office.

Third, in the Implemental Stage

1. The courts, offices and officials implementing the ruling are responsible for warning the adjudged party in regards to implemental cases, regardless of whether or not the ruling and the implementation have taken place, to appear at the implementation office to be identified, complete the petition and provide the information mentioned in Paragraph 1. If the party fails to appear, the case will be filed until the adjudged party makes an appearance.

2. Should the adjudged party appear, steps must be taken in accordance with Paragraph 1, if a declaration is made by the prosecutor's office, and the implementation of the ruling must be avoided until the final response is received. If there is no objection, the ruling must be announced and implemented.

B. The revolution prosecutor's offices are responsible for providing an immediate response upon receipt of the notification of the offices of the courts and implemental office if, considering the information reflected in the petition and its attachments and existing records in the prosecutor's office, they do not categorically find the case to be one for investigation by those authorities. If the case can be investigated, steps must be taken and the results must be announced to the courts. Prosecutors' offices must try to promptly send the proper response within a determined official time to the office of the court.

C. These regulations can be implemented as long as the law for the procedures for the implementation of Article 49 of the Constitution ratified by the Majlis is being implemented.

Head of the Supreme Judicial Council, Musavi-Ardabili

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CSO: 4640/210

IRAN

MINISTER ANNOUNCES NEW POLICIES ON INDUSTRY GROWTH

Tehran KEYHAN in Persian 8 Jan 86 p 23

[Text] Economic Service--Engineer Qolam Reza Shafei, minister of industries in an interview with mass media correspondents discussed the new policies of the Ministry of Industries as regards the reduction of organizational man power, new changes on the level of deputy-ministers' posts, the method to combat the problems concerning the issue of scarcity of foreign exchange for various plants [factories] and power cutoffs, entrusting the provincial head offices with new authority and the matter of production reduction.

Furthermore, according to the KEYHAN's economic correspondent, the minister of industries also discussed his own views regarding the creation of new production units, the increase in the non-oil export items, the general public's participation in creating new job opportunities and resolving the issue of the unresolved proprietorship of some industrial units.

First, the minister of industries stated: In 1353 [21 March 1974 - 20 March 1975] the Ministry of Industries and Mines was separated from the Ministry of Economy and Finance and after the victory of the revolution, this ministry became the custodian or care-taker of the industries and mines of the country, independently.

After the victory of the Islamic revolution many of the private industrial units became nationalized and thus increased the volume of the work load of this ministry, while at the same time the direction of care and concern for the mines and industries of the country received more attention. With due consideration to this thought the issue of forming the Ministry of Mines and Metals was contemplated and thereafter was ratified.

Afterwards, the issue of creating the Ministry of Heavy Industries was studied and the Islamic Consultative Assembly announced the independence of the said ministry. Subsequently, the post of deputy minister of industrial affairs of the Ministry of Industries and Mines pertaining to the period before the revolution was upgraded to the two ministries of heavy industries and that of industries.

Although this situation had some advantages and the various departments of the ministry were in a position to have direct contact with the people, yet at the same time it created some disadvantages of which one can cite a proper lack of

coordination between various branches of the ministry. In the former organizational chart there were 14 deputies or more precisely, 11 deputies and three counselors, each responsible for one of the following affairs such as deputies of specialized industries, whether it be chemical, nutrition, lump sugar, metal, textiles, leather, mineral non-metallic cellulose, electricity and electronics, and each one of these were composed of several other related groups which in reality had to coordinate their work with the deputy of the ministry. For instance, the deputy in charge of programming and planning had to organize his relevant group to go about programming and planning and they would in turn carry out the task and would put it into action. On the other hand, since the deputy who was in charge of planning and programming was a care-taker or custodian, he would deem it quite plausible to carry out whatever planning or programming he would see fit, and this was true with all the other above-stated deputies who presumed that they had the same authority and as a consequence there was always a clash of responsibilities. The final result was a lack of proper information or accurate statistics and since there was no adequate information, proper planning could not be done, because the first step in programming and planning is dependent on accurate information and statistics. Moreover, the statistics which were gathered by various branches usually were at variance with those available to the deputies in question, and I personally have noticed this deficiency both before the advent of the revolution and during my incumbency in this ministry.

The second issue was that the former organizational chart had blatantly increased bureaucracy in the ministry. For example, here I'll point out the statistics of the total number of letters which were received or sent out by the ministry during the past few years. In 1359 [21 March 1980 - 20 March 1981] only 77,000 letters were received by the ministry while this figure in 1360 [21 March 1981 - 20 March 1982] reached 93,000 letters. Likewise, in 1361 [21 March 1982 - 20 March 1983] the number further increased to 136,000 letters and in 1362 [21 March 1983 - 20 March 1984] it reached nearly 170,000 letters while in the first six months of the year 1363 [21 March 1984 - 20 March 1985] the figure stood at 80,000 letters and in the second half of the same year reached 100,000 letters and similarly, for the first half of the year 1364 [21 March 1985 - 20 March 1986] this figure reached nearly 83,000 letters.

Thus we notice the ever-increasing bureaucracy in the Ministry of Industries. Here, I mention the number of letters which were issued by the ministry. For instance, in 1359 the figure stood at 64,000 letters, in 1360 the number rose to 74,000 letters, in 1361 it was 116,000 letters, while in 1362 the figure reached 137,000 letters and in the first half of 1363 about 76,000 letters and in the second half of the same year 80,000 letters and finally in the first half of the year 1364 a total of 64,000 letters were issued by the ministry. Principally, we notice that after the victory of the revolution bureaucracy has kept growing in this ministry and part of the problem has to be sought in the organizational chart.

Therefore, one of our most important goals is a substantial change in the organizational chart of the ministry. Our second important task is to decrease

the heavy burden of the bureaucracy in this ministry by eliminating the unnecessary or redundant number of applications which are being forwarded to this ministry.

Here, I would like to mention the fact that in the new organizational chart we have not been able to completely cut off this connection, however we've been able to reduce the clash of responsibilities quite appreciably.

What we did was to change the seven specialized deputy-minister positions into one specialized industrial deputyship and in reality curtailed the seven unnecessary application of the provincial director general to seven various deputies to one deputy, and I think that this measure will be effective and beneficial in creating further coordination between Tehran and other provinces.

Thereafter, we have employed other changes on the level of the deputy-ministers as follows:

- The industrial utilization deputy minister office under the supervision of Engineer Rahim Kolahduz, including the main departments of chemical and celluloid industries, metallurgical industries, textile industries, mineral and non-mineral industries, pharmaceutical, electricity and electronics industries.
- The plan and program deputy minister office, under the supervision of Engineer Ahmad Ahmadi including the office of industrial planning, the office for investigation of industrial plans and the office of statistics and statistical investigations.
- The research and training deputy minister office, under the supervision of Dr Ali Asghar Towfiq, including the office of Industrial Research and that of Training.
- The parliamentary and provincial deputy office under the supervision of Engineer Mohammad Ali Zaker including the Legal and Parliamentary Affairs Office and the Office for the Coordination of Provincial Affairs.
- The economic and commercial deputy minister office under the supervision of Engineer Abolqasem Jamshidi, including the office for economic investigations, the office for commercial affairs and that of international affairs office.
- The administrative and financial deputy minister office under the supervision of Engineer Ahmad Hoseyni, including the administrative, financial affairs and budgetary offices.

Furthermore, in the new organizational chart we have three counselors for the minister who are entrusted to Messieurs Mar'ashi, Ali Danesh Monfared and Sheykh Atar, of which our brother Sheykh Atar is in charge of the position of the minister counselor and the war staff secretary of the Ministry of Industries.

As regards the new authorization of the provinces according to the new organizational chart, the minister of industries stated: We are trying to involve the

provinces as much as possible and reduce centralization of the affairs in the ministry. To this end, we have issued a circular pertaining to the areas of programming, planning, economics and commerce and turned over control of such affairs to the provinces.

Similarly, we've divided production activities into two sections, one regional and another pertaining to national projects which in turn will be divided into foreign exchange and non-foreign exchange industries.

For those industries which require foreign exchange, we've authorized the provincial departments to go ahead and issue the necessary principal agreements without a need to make the applicants travel to Tehran for such business. Therefore, after proper ratification, of the proposed plan of each province through the planning and programming deputy minister's office, the principal agreements for those commodities which require foreign exchange will duly be issued by the relevant provincial department's of industries.

In the meantime, the provinces will also be authorized to issue the necessary foreign exchange agreements within the framework of the proposed program which in turn will be approved by the planning and programming deputy minister's office.

Likewise, the provincial agreements pertaining to the establishment of national production units will be issued directly by the Ministry of Industries.

The issuance of permits for utilization or for establishing production units will be the responsibility of the source of principal agreement issuer.

Similarly, in the area of commerce and economy I must say that the provincial department's of industries can according to the import and export regulations issue the proper authorization for the import of raw materials and spare parts without having to transfer the foreign currency pertaining to the production units which are located in the provinces.

Furthermore, according to the rules and regulations, provincial departments can authorize the release of the raw materials and spare parts from customs for production units located in the provinces.

Moreover, we have prepared a list which will be published in the near future and according to that the provinces will be authorized to export 146 exportable non-foreign exchange items.

As regards government problems and issues pertaining to the creation of new employment opportunities, Engineer Shafei stated: The rate of population growth in our country is 3.1 percent which means that in five or six years we will have six to seven million more population and our government cannot remain indifferent either to the increase in population or the need to create jobs for the new work force.

Although our ministry is not directly involved in taking care of this problem, yet in an indirect manner it becomes involved. For instance, during the last few years we have issued about 16,000 principal agreements which could in turn create 250,000 new jobs in a direct way while at the same time it could create a large number of employment opportunities in an indirect way. If for the sake of argument we create only four million jobs for the seven million population growth and suppose that out of this four million, two million will be absorbed by the agricultural and service sectors, two million will be absorbed by the industrial units and out of these two million only one million job opportunities must be created by the Ministry of Industries alone. Now, with due consideration to the fact that 16,000 principal agreements can only create 250,000 new jobs, we can vividly see the inadequacy of this fraction in comparison to the one million figure and we have got to take some appropriate measures accordingly.

The creation of new jobs requires two kinds of investments both in rials and in foreign currency. We come in contact with many situations for non-foreign exchange capital investments and we have even authorized our provinces to export goods and commodities to one another. For example, lime and plaster of Paris can be exported from the province of Semnan to other provinces. Through this process with proper programming and investment it is possible to set up new plants and create many job opportunities.

Now, the question is that in order to create jobs for one million individuals we will need on the average 500,000 tomans of capital investment for each person and then we will require about 500 billion rials for investment which can be acquired in several ways:

Through government sector--Where the government is not very interested in putting up capital investment in the sector of the Ministry of Industry.

Through other organizations such as the National Iranian Industries Organization and the Bank of Industry and Mines--although they have so far made some efforts, yet it is not adequate.

Another solution is the utilization of general investments of the public which in itself is composed of several areas: Cooperative companies, general joint-stock companies and investment by the private sector.

If you take a look at the statistics of the principal agreements, you will see that we have had about 80 billion tomans of investment credit for 18,000 principal agreements of which about two millions were cancelled, thus it left us a figure of about 70 billion tomans for the last seven years and part of that investment was actually carried out. This is in a case where we must have created jobs for one million individuals, thus you will notice that this figure of 70 billion tomans is but a very insignificant part of the whole necessary investment.

On the other hand, the low-income individuals like you and me--a correspondent or a minister--will never be able to make investments individually, however if

we join our forces the possibility becomes much greater. Formation of such investment groups together with the individuals who can make five or ten million tomans investments in one larger cluster can create the huge capital necessary for the creation of the needed industries of the country which are all very vital.

Many of the people who are investing in our ministry are not thinking about creating new industries but are mostly looking for a fast return on their small capital investments--and I can tell that a large number of the principal agreements fall into this category--where the median investment is about five million tomans and with this kind of capital investment it is not possible to create industries in the country.

But if we can bring together the small investors and form a large investment company, then we will create the fundamental industries needed by the country.

Therefore, we suggest that people must not go after smaller individuals investments, but they should act according to the holy statement of the Koran which says people ought to truly cooperate together--and thus create general joint-stock companies--of course, such venture will need a custodian and banks can play that role very well.

I, personally suggest that all the banks with their huge financial resources take the initiative in the various industrial investments and instead of going after other smaller commercial business investments, extend loans or lend money with interest, etc... they should create general investing companies. For instance, the Bank of Industry and Mines can help us in our cause. In creating cement plants, synthetic fibres industries, the pharmaceutical, rubber and tire raw materials if the participation of the general public is sought, we will be in a position to give priority to providing their necessary foreign exchange in such ventures.

As regards other fairly large investments in real estate and commerce or the creation of small industries such as plastic manufacturing plants, socks and stockings manufacturing plants, etc... I have to say that it would be much better that such needed investments be diverted to creating of large basic industries such as the 60,000-ton paper mill in Khuzestan.

After the issue of investment, the issue of current budget reduction should be considered. That is to say, it would not be correct to increase the current expenditures of the ministry for the purpose of creating new jobs. Or while the government spends more than 230 billion tomans on current expenditures annually, the development expenditures be kept under 100 billion tomans. This gap has to be eliminated. And one way to deal with this for the governmental ministries is to reduce their administrative personnel and instead man power should be directed more toward reconstructing the country, since one of the tools for reconstruction is man power and then equipment. If people put up the necessary rial investment we will similarly provide the needed foreign currency so as to resolve the problem.

### Projects Created by the National Industries Organization

Thereafter, Engineer Shafei pointed to the projects which were set up by the National Industries Organization and also the Bank of Industry and Mines after the revolution and stated: Thirty six projects have been set up by the National Industries Organization of Iran such as the Narges Vegetable Shortening of Shiraz, the Industry and Cultivation of Arak, the Sugar, Cement and Spinning Plants of Khomeyn, one large textile plant in Rasht, Gharb Textile and Spinning Factory, Gilan's Carpet Plant, Tus Textile Plant, Iran's Carpet Factory, Naz-push, Khorrasan Textile Plant and so forth. Among these projects there are some quite large enterprises such as the Rey Cement Plant of which one 2000-ton unit with more than 1.2 billion tomans of capital investment was sold to Tehran's Cement Factory of which 40 percent of the plant belongs to the workers and we hope that in the matter of a few years they will be able to pay back their debt to the government through the sale of cement.

Such projects were begun mainly before the advent of the revolution. The program for investment and the amount of credits which have been absorbed by these projects after the victory of the revolution in the nine industrial and independent categories of the National Iranian Industries Organization comprise of the following: Food industries, one project; textile, three projects; celluloid industries, two projects; no projects in leather and shoe making industries; chemical industries, seven projects; pharmaceuticals, three projects; building construction, three projects; electric power and home appliances, three projects; and three cement projects for cement plants which gives us a total of 25 projects with a fixed capital investment of 65 billion rials.

Other projects which had been planned before the advent of the revolution are also included in the programming and planning of the National Iranian Industries Organization such as the Sepurex, Fars Faston, Tahrir Plaster of Paris, Brick and Limy Sand of Iranshahr which, God willing is going to be put into operation very soon.

On the other hand, the Bank of Industry and Mines has begun to make industrial investments and it has a total of 35 such projects under study with a capital investment of about 174 billion rials.

### Specially Designated Foreign Exchange for the Ministry

As regards the amount of specially designated foreign currency for the ministry and other industrial priorities which pertain to its use, Engineer Shafei went on to say: The amount of specially designated foreign exchange belonging to the Ministry of Industries for the current year including the use of 20 percent of next year's foreign exchange which is extended as a loan will be about 2.5 billion dollars.

Considering this insufficient amount of available foreign exchange, our first priorities apply to such industries as cement, flour, vegetable shortening, paper, synthetic fibres which comprise the raw materials for 200 various plants

throughout the country and other industries such as Melamin [plastic manufacturing] industry is given 15 percent priority, refrigerator manufacturing industry 60 percent, black and white TV 80 percent, color TV 40 percent, machine-made carpet industry 25 percent and moquette industry 45 percent.

Regarding the issue of electric power cutoffs and its effects in various units and the ways and means of eliminating this inadequacy, Engineer Shafei stated: As a result of power cutoffs and inadequacy of foreign exchange, in comparison to previous years, the growth rate of various units of this ministry have decreased.

As regards the research programs of the said ministry he said: We intend to create a research town and so far its location has been duly planned and determined where various researchers can get together, set up the necessary test laboratories and continue their reasearch without outside interference. So far about 60 principal agreements for the creation of various laboratories have been issued and five of them have been able to acquire their research permit.

#### The president's Recommendations Regarding the Progress of Industries

Concerning his recent visit with the president and the reasons for the change of location of the office of the 5-member council implanted in the National Iranian Industries Organization, Engineer Shafei stated: According to our regular program we met with the president and had long discussions and he believed that there are some issues in the nation's industry which need to be resolved and thus create an opportunity for the growth of our industry. These would include:

- Industrial management.
- Wear and tear of machinery and a lack of timely replacements, and their proper maintenance.
- The quality of produced goods.
- The ownership of the plants and principally the industrial proprietorship.

As regards the issue of industrial management, I asked the president to do his best to insure the stability, permanence and the proper organization of management in the country.

Our next discussion pertained to the issue of wear and tear of machinery and maintenance about which I gave him some pertinent reports and here once again I emphatically repeat that our factories' machinery are undergoing their natural wear and tear and proper replacement is a must. Moreover, new plants geared to the new needs of the society ought to be created.

As regards the upkeep of the plants, the president made some statements and believed that if such plants were supervised by the owner of the unit in question they will be better mananged and run.

We, in turn believe that as far as possible the National Iranian Industries Organization and other nationalized units have done their best to protect such plants and do not consider that the president's statement is without merit.

The third point pertained to the quality of merchandise and we in turn told the president that in order to have good and top quality merchandise several factors such as management and devoted man power are necessary. And we stated that he instruct the Friday imams to discuss the matter of assiduousness and diligence in the work in their speeches.

The fourth point revolved around the 5-member council. Here I ought to mention that this council does not solely belong to the Ministry of Industries and we only compose one of the five members and whenever the issues pertaining to the Ministry of Industries are discussed, our representative will take part in the relevant session. With due consideration to the fact that the nature and substance of this council is mainly judicial and that two of the members are representatives from the judicial power and one other member represents the general prosecutor, this council was relocated to the office of the state chief prosecutor.

Mr Khamene'i emphasized that this 5-member council ought to be actively engaged in determining the fate of unresolved plant ownerships. I, personally agree with this statement and emphasize that the 5-member council must exist since it is the only lawful and legal source which can determine the fate of the unresolved proprietorship of industrial units. This lack of resolution for those production units is neither good for the treasury nor beneficial to the management system of our society. What is evident is that as soon as possible this issue has to be resolved and everyone has to accede or condescend to the decisions reached by the said council.

#### Search for New Ways to Earn Foreign Exchange

As regards the two issues of foreign exchange and electric power, Engineer Shafei stated: First, we seek the cooperation of all the experts in the two aforementioned areas, second we ought to start thinking about how many more years our industry can rely on our oil income and consider the fact that right now when we have an income from oil we are facing a foreign exchange deficiency and what will happen in the future when our oil runs out.

We would like to listen and seek people's views for new ways of earning foreign exchange. In this regard, during the past nine months we have earned over 70 million dollars in non-government foreign currency for the country. In addition, we have put about 40 million dollars of foreign exchange at the disposal of some of our production units to enable them to export their commodities and thus give them the ability to earn more foreign exchange in return. Of course, for the production of such goods we need raw materials from the Ministries of Petroleum, Heavy Industries and Mines and Metals to provide the three main items for our factories such as petrochemical and steel industry and machinery plants. If

we succeed in this area, with the enhancement of our product quality, we will be able to increase the growth of our exports and decrease the needed foreign exchange for our production units, gradually--such units as laundry detergent, television or Khazar sable industries.

Along with all these efforts Messieurs Khamene'i and Musavi are thinking about the formation of certain committees in charge of non-oil exports which, God willing, will help reduce some of our foreign exchange problems.

Furthermore, in the long-term we propose to the government and the Majlis to designate a substantial part of the oil income for capital investment, since after a few short years when our oil runs out we will have nothing else for export to earn us foreign exchange.

#### Methods for Preventing Power Cutoff Damages

In continuation, the minister of industries stated: Regarding the issue of electric power I have to add emphatically that we have severely endured some damages this year and to this end I propose:

- As in other industries, new investments should also continue to be made in the electric power industry from the oil revenues.
- The Ministry of Energy ought to allow the installation of secondary generators with lower output along the route of those plants which are the major consumers of electric power.

For instance, in the small towns or industrial districts each factory should pay a proportionate amount relative to its use of electric consumption, and thus after the collection of all these payment shares by all the relevant units of the district in question the necessary power plant can be bought and installed accordingly--such as the ones which are installed in and around Esfahan's Steel Works and that of Tehran's Polyacril.

To this end, we have had some discussions with Dr Banki, minister of energy, which are still continuing.

- Here we would like to make a request, that is at least to inform the plants in advance about the power cutoffs so they can prevent any probable ensuing damages. Furthermore, I propose that priority should be given to the provision of our industrial electric power rather than the service and commercial electric power or even that of household.

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CSO: 4640/209

IRAN

VOLUME OF TRADE WITH JAPAN INCREASING

Tehran KEYHAN in Persian 13 Jan 86 p 18

[Text] The parliamentary delegation of Japan visiting Iran headed by the policy-making committee of the Japanese parliament met with the minister of petroleum of our country yesterday. In this meeting, the decision was made to increase the volume of petroleum and non-petroleum trade between the two countries.

The volume of the purchases of oil by Japan from Iran increased significantly during the last three months of the Christian year, and, according to a report of the Ministry of Commerce and Industries of Japan, Iran exported 1.76 million kiloliters of crude oil in November 1985. Compared to November 1984, with the sale of significant amounts of oil to Japan, Iran gained the title of second supplier of oil to Japan. In the visit to Japan of the high-ranking Iranian delegation headed by Hojjat ol-Eslam Hashemi-Rafsanjani, the economic representative of Iran carried out negotiations in regards to the increase of trade between the two countries. In the course of this visit, some Japanese companies agreed to increase their economic relations, particularly the purchase of oil from Iran vis-a-vis the export of goods and economic cooperation. After returning from Japan, Hojjat ol-Eslam Rafsanjani announced: The visit of the Iranian delegation to Japan and China is the start of a new movement in our foreign policy and international relations. The effects of this visit on the economic relations between the two countries have been significant, as is evidenced these days in the volume of the purchases of oil by Japan from Iran. Japan is supposed to cooperate with Iran in the implementation of several industrial projects, including the transfer of technology for the manufacture of several kinds of vehicles.

In its meeting with the minister of petroleum, the parliamentary delegation from Japan which arrived in Tehran last Friday discussed the necessary steps for expanding economic relations between Iran and Japan, which were brought up following the visit of the speaker of the Majlis to Japan. It seems that if there are no significant problems in connection with the purchase of oil from Iran by the Japanese companies, in the future we can expect to witness the increased sale of Iranian oil to Japan. Informed sources announced the sale of Iranian oil to Japan during last December at about 500,000 barrels per day, which was a higher figure compared to the previous months.

It should be remembered that the Japanese import about 3.7 million barrels of crude oil per day, of which amount about 65 percent is procured from OPEC member countries. Also, as a primary source of energy, oil comprises about 37.1 percent of the total energy consumption of Japan.

IRAN

CULTURAL, ECONOMIC COOPERATION WITH INDIA EXPANDING

Tehran KEYHAN in Persian 14 Jan 86 p 3

[Text] India and Iran have decided to expand their cooperation in economic and cultural areas. According to the decisions of the delegations of both sides, both countries have decided to increase the variety of their trade and accordingly, they have signed a three-year agreement concerning cultural cooperation and the coordination of programs.

This agreement anticipates contact between educational centers, exchanges of cultural experts, and cooperation between radio and television. The director general of the Ministry of Foreign Affairs and the cultural deputy minister in the Ministry of Foreign Affairs of Iran signed the contract. Radio Delhi added: The joint India and Iran committee has identified more than 30 new items to be exported by India to Iran. Agreements have been made between the two countries to raise Indian exports from the present level of 1,350 million rupees to 4,500 million rupees next year.

Also, the industrial units will be built in joint areas in both countries.

India will help Iran build small industrial units. Addressing the reporters at Mehrabad Airport, the foreign minister of India said: The joint session of India and Iran will strengthen relations between the two countries. 'Ali Akbar Velayati also said: The recent agreement will create a new period of cooperation.

The Indian official expressed to the Iranian leaders the strong concern of India about the continuation of the war between Iran and Iraq, both of whom are members of the nonaligned movement and who have relations with India. He said: India hopes that peace will soon return to the region.

The foreign minister of India arrived at Dubai International Airport for a five-day visit to Kuwait, Bahrain and the United Arab Emirates last night.

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